CK# 52685 $3,750.00

RECEIVED
2014 MAR 21 AM 9 57

DELAWARE PUBLIC SERVICE COMMISSION
FILING COVER SHEET

For PSC Use only:	
Docket No.	14-117
Filing Date:	03/21/14.
Reviewer:	
Given to:	

DR
Alisa
Donna
Vincent
Connie
Kevin
JO
Kitty

1. **NAME OF APPLICANT:** **tw telecom data services llc**

2. **TYPE OF FILING:**

RATE CHANGE	☐
FUEL ADJUSTMENT	☐
ADMINISTRATIVE	☐
CPCN	☒
NEW SERVICE OFFERING	☐
OTHER	☐

IF A TELECOMMUNICATIONS FILING, WHAT TYPE OF SERVICE IS IMPACTED? (PLEASE CHECK)

BASIC ☐ COMPETITIVE ☒ DISCRETIONARY ☐

3. **PROPOSED EFFECTIVE DATE:** Earliest Date Possible

IS EXPEDITED TREATMENT REQUESTED?: YES ☒ NO ☐

4. **SHORT SYNOPSIS OF FILING:** Application for a CPCN.

5. **DOES THIS FILING RELATE TO PENDING DOCKETS?:** YES ☐ NO ☒

IF SO, PLEASE LIST DOCKET(S) NO(S): _____

6. **IS PUBLIC NOTICE REQUIRED:** YES ☐ NO ☒

IF YES, PLEASE ATTACH COPY OF PROPOSED PUBLIC NOTICE.

7. **APPLICANT'S CONTACT PERSON:**

Name:	Connie Wightman
Title:	Consultant to **tw telecom data services llc**
Phone:	(407) 740-3002
Fax:	(407) 740-0613

8. **DID YOU PROVIDE A COMPLETE COPY OF THE FILING TO THE PUBLIC ADVOCATE?**

YES ☒ NO ☐ IF SO, WHEN? Concurrently with application.

9. **FILING FEE ENCLOSED:** Amount: $3,750.00

NOTE: House Bill 681, enacted into law 7/13/98, authorizes the Commission to recover the cost of time spent by in-house staff to process all filing initiated after the date of enactment. You may be required to reimburse the Commission for staff time.

March 20, 2014
Via Overnight Delivery

Ms. Alisa Bentley, Executive Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard, Suite 100
Dover, DE 19904

RE: tw telecom data services llc
Application for Certificate of Convenience and Necessity to Provide Competitive Facilities-Based and Resold Local Exchange Services and IntraLATA Interexchange Services in the State of Delaware

Dear Ms. Bentley:

Enclosed for filing please find the original and ten (10) copies of the above referenced application, Attachments A through H and waiver submitted on behalf of **tw telecom data services llc**. This filing also includes the original and ten (10) copies of a surety bond filed in the amount of $50,000.00 on behalf of the Company as well as check in the amount of $3,750.00 for the filing fee.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided for that purpose.

Any questions you may have regarding this filing should be directed to my attention at 407-740-3002 or via email to cwightman@tminc.com. Thank you for your assistance in this matter.

Sincerely,

Connie Wightman
Consultant

cc: Tammy Chatfield - tw telecom
cc: Office of the Public Advocate
file: tw telecom - Delaware – Application
tms: DEl1400

Enclosures

CW/bc

RECEIVED
2014 MAR 21 AM 9 57

2600 Maitland Center Parkway, Suite 300 - Maitland, FL 32751
P.O. Drawer 200 - Winter Park, FL 32790-0200 - Telephone: (407) 740-8575 - Facsimile: (407) 740-0613
www.tminc.com

LICENSE OR PERMIT BOND
RLI Insurance Company

Bond No. CMS272812
License or Permit Bond

KNOW BY THESE PRESENTS, that we, tw telecom data services llc as Principal, and RLI Insurance Company, an Illinois Corporation are held and firmly bound unto Public Service Commission of The State of Delaware as Obligee, in the penal sum of Fifty Thousand and 00/100 dollars ($50,000.00) good and lawful money of the United States, for payment of which well and truly to be made, we bind ourselves, and our heirs, executors, administrators, jointly and severally, firmly by these presents.

WHEREAS, the said Principal as applied to said Obligee for a license or permit to do business in The State of Delaware.

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, that, if Principal shall faithfully observe and honestly comply with the provisions of all Laws or Ordinances of Obligee regulating the business for which license or permit is issued, then this obligation shall be void: otherwise to be and remain in full force and effect.

Signed, sealed and dated this 13th day of March, 2014.

PROVIDED HOWEVER:

☐ This bond shall continue in force:
Until _____, 20__, or until the date of expiration of any Continuation Certificate executed by the Surety.

☒ Until canceled as herein provided:
This bond may be canceled by the Surety by sending notice in writing to the Obligee, starting when, not less than thirty days thereafter, liability shall terminate as to subsequent acts or omissions of the Principal.

tw telecom data services llc

BY: _____, Treas
Principal

RLI Insurance Company

Witness: _____

BY: _____
Kathleen K. Freund, Attorney-in-Fact
Corporate Surety

RLI Surety
P.O. Box 3967 | Peoria, IL 61612-3967
Phone: (800)645-2402 | Fax: (309)689-2036
www.rlicorp.com

POWER OF ATTORNEY
RLI Insurance Company

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:
Kathleen K. Freund, Margarita Holguin, Stacy Killebrew, Joseph R. Poplawski, jointly or severally.

in the City of Denver, State of Colorado its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars ($25,000,000.00).

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 8th day of October, 2013.

RLI INSURANCE COMPANY CORPORATE SEAL ILLINOIS

RLI Insurance Company

By: _____
Roy C. Die Vice President

State of Illinois
County of Peoria } SS

On this 8th day of October, 2013, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: _____
Jacqueline M. Bockler Notary Public

"OFFICIAL SEAL"
JACQUELINE M. BOCKLER
COMMISSION EXPIRES 03/19/14
NOTARY PUBLIC STATE OF ILLINOIS

CERTIFICATE

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this 13th day of March, 2014.

RLI Insurance Company

By: _____
Roy C. Die Vice President

0523290020212

A0058707

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

In the Matter of the Application of **tw telecom data services llc** for a Certificate of Public Convenience and Necessity to Provide Competitive Facilities-based and Resold Local Exchange and IntraLATA Interexchange Services in Delaware	)))))	PSC Docket No. 14-_____

WAIVER REQUEST

In conjunction with the above-captioned matter, **tw telecom data services llc** ("**tw telecom**" or "Company") hereby petitions the Public Service Commission of Delaware to waive the requirement that mandates that applicants seeking Certificates of Public Convenience and Necessity maintain books and records in the state of Delaware. This requirement would be unduly burdensome to **tw telecom**, as the Company maintains its corporate offices in Littleton, Colorado and does not have plans to locate an office within the state of Delaware. All books and records relating to **tw telecom data services llc**'s Delaware operations are expected to be maintained at10475 Park Meadows Drive, Littleton, CO 80124.

If the Commission grants this waiver, **tw telecom** will make its books and records available to the Commission at the Commission's request. Furthermore, upon granting this request, **tw telecom** agrees to pay all reasonable travel expenses should the Commission Staff need to travel to examine the books and records of the Company.

tw telecom data services llc respectfully requests that the Commission grant the relief requested herein.

Respectfully submitted this 20th day of March, 2014.

Connie Wightman
Consultant to **tw telecom data services llc**

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

In the Matter of the Application of	)	
tw telecom data services llc for a Certificate	)	
of Public Convenience and Necessity to Provide	)	PSC Docket No. 14-_____
Competitive Facilities-based Local Exchange	)	
Service and Resold Local Exchange Service and	)	
IntraLATA Interexchange Services in Delaware	)	

Pursuant to Public Law 104-104, PSC Regulation Docket No. 45, provisions of the Delaware Code and Section 253 of the federal Telecommunications Act of 1996[1] ("Act"), **tw telecom data services llc** ("Applicant") respectfully requests that the Public Service Commission ("Commission") grant to Applicant a Certificate of Public Convenience and Necessity to provide competitive facilities-based and resold local and intraLATA interexchange telecommunications services in the State of Delaware.

In support of its application for a certificate of authority Applicant provides the following information.

1. **Name, address and telephone number**
   tw telecom data services llc
   10475 Park Meadows Drive
   Littleton, CO 80124
   Telephone: (303) 566-1000
   Facsimile: (303) 566-1010
   Toll Free: 1-800-829-0420

   Contact Name and Address:
   Tammy Chatfield
   Regulatory Affairs Senior Manager
   10475 Park Meadows Drive
   Littleton, CO 80124
   Telephone: (303) 566-1390
   Facsimile: (720) 225-5877
   Toll Free: 1-800-829-0420

2. **Names and addresses of Applicant's representatives to whom all inquiries should be made regarding this application.**

   Connie Wightman
   Consultant to **tw telecom data services llc**
   Technologies Management, Inc.
   2600 Maitland Center Parkway, Suite 300
   Maitland, Florida 32751
   Telephone: 407-740-3002
   Facsimile: 407-740-0613

3. **State of incorporation, date of incorporation , certificate of incorporation**

[1] Telecommunications Act of 1996, 47 U.S.C. 253 (1996).

tw telecom data services llc is a Delaware corporation, formed on May 10, 2002. A copy of the Articles of Formation is attached hereto as Attachment A.

In support of this Application, the following exhibits are attached hereto:

Attachment A	Articles of Formation
Attachment B	List of Corporate Officers and Directors
Attachment C	Financial Statements;
Attachment D	Technical Qualifications
Attachment E	Biographies of Executive Team;
Attachment F	Proposed Interexchange Services Tariff
Attachment G	Proposed Local Exchange Services Tariff
Attachment H	Toll Dialing Parity Plan

4. Location of its principal office in-state, and name and address of registered agent

Applicant does not have an office in-state.

Registered Agent:
The Corporation Trust Company
1209 Orange Street
Wilmington, DE 19801
(302) 658-7581

5. List of Applicant's Stockholders

Shareholders having a beneficial interest in 5% or more of voting securities of **tw telecom inc.** (ultimate parent company of **tw telecom data services llc**) are:

As of the 2013 Proxy Statement Name, Address and Telephone	# of Shares Owned	% of Shares Issued	%of Voting Control
Columbia Wanger Asset Management, LLC and Columbia Acorn Fund 227 West Monroe Street, Suite 3000 Chicago, IL 60606-5016 (312) 634-9200	12,959,500	8.5%	8.5%
Southeastern Asset Management, Inc. and Longleaf Partners Small-Cap Fund 6410 Poplar Avenue, Suite 900 Memphis, TN 38119-4843 (901) 761-2474	12,738,166	8.3%	8.3%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022 (212) 810-5300	8,645,730	5.7%	5.7%
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, PA 19355 (610) 648-6000	8,572,281	5.6%	5.6%

6. **List of Applicant's Corporate Officers**

See Attachment B for listings of the Applicant's Officers and Directors.

7. **List of states where Applicant provides service and where applications are pending.**

tw telecom data services llc is currently authorized to provide telecommunications services in Connecticut, Massachusetts, Michigan, Nebraska, New Hampshire, Pennsylvania, Rhode Island and South Dakota and is in the process of obtaining authority to provide facilities-based and/or resold local exchange and interexchange services in West Virginia. Its affiliates are currently authorized to provide telecommunications services in Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, and the District of Columbia. Neither **tw telecom data services llc** nor any of its affiliates have been denied authorization to provide telecommunications services in any jurisdiction.

8. **Description of Service**

Applicant intends to provide an integrated private line and local exchange service, including various ancillary services such as custom calling features, long distance and Internet access. Applicant, however, seeks the full range of resold and facilities-based local exchange and interexchange authority so that it can have flexibility in provisioning services in the future. **tw telecom data services llc** plans to only provide telecommunications services to business and enterprise Customers.

9. **Description of Proposed Facilities**

Initially, **tw telecom data services llc** will provide services via (1) commercial wholesale agreements with authorized Competitive Local Exchange Carriers ("CLEC") to gain access to the Public Switched Telephone Network ("PSTN") and third-party 911 networks to provide connectivity to the Public Safety Answering Points ("PSAP"), (2) leased facilities from long haul and local carriers, or (3) a combination thereof. Toll services will be provided via **tw telecom**'s underlying long distance carrier. Applicant will comply with all applicable Commission rules, regulations and standards, and will provide safe, reliable and high quality telecommunications services in Delaware. Applicant will offer services using traditional and Internet protocols to provide voice and data services that interact seamlessly with the traditional public switched network.

9. Description of Proposed Facilities, (Cont'd.)

Applicant will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7-days-a-week basis. Applicant will ensure that its customers have access to 911 service, directory assistance and telecommunications relay services.

10. Customer Service

tw telecom data services llc strives to deliver a consistent, valuable customer experience through local and national support. Local account representatives and customer relationship specialists work with local operations teams, central network operations centers and customer care teams to care for customers. The Customer Service Center is available Monday through Friday during the hours of 8AM EST to 8PM EST to answer customers' questions regarding billing, order status or other non-service related issues. For maintenance or repair issues, customers can call the toll free customer service telephone number 24 hours a day, 365 days a year. Applicant's toll free telephone number for customer inquiries, complaints and repair is 800-829-0420, email address: customercare@twtelecomcom. Customers may contact the company in writing at the headquarters address indicated below.

The contact for resolution of customer complaints with the Commission is:

Tammy Chatfield
Regulatory Affairs Senior Manager
tw telecom data services llc
10475 Park Meadows Drive
Littleton, CO 80124
Telephone: 303-566-1390
Facsimile: 720-225-5877
Toll Free: 1-800-829-0420
Email: RegulatoryComplaints@twtelecom.com

11. Demonstration of Financial, Technical and Managerial Qualifications

tw telecom data services llc possesses the managerial, technical and financial ability to provide local telecommunications service in the State of Delaware as demonstrated below.

11A. Demonstration of Financial Ability

tw telecom data services llc possesses the financial ability to provide telecommunications service in the State of Delaware. In support of its financial qualifications, **tw telecom data services llc** has attached hereto as Attachment C copies of the most current financial statements of **tw telecom inc.** (ultimate Parent Company of Applicant) as proof of its financial stability to provide the required services within the State of Delaware.

11B. Demonstration of Technical and Operational Ability

tw telecom data services llc will initially utilize resold services and combinations of network elements provided by the underlying carrier(s). Underlying carriers will perform all local switching, routing and call completion functions. Company personnel have experience working with underlying carriers of long distance and local services. Applicant's technical and managerial personnel are well qualified to direct the delivery and billing of the proposed services (see Attachment D).

11C. Demonstration of Managerial Ability

tw telecom data services llc possesses the managerial ability and technical competency to provide the proposed competitive telecommunications services as demonstrated by the fact that the members of Applicant's senior management team have extensive experience in the telecommunications industry. These executives have both highly effective management skills and considerable telecommunications expertise. The backgrounds of these key executives, which are described in Attachment E, show that Applicant possesses the managerial qualifications required to provide telecommunications services in Delaware.

12. Map

tw telecom data services llc plans to provide service throughout the State of Delaware and will serve the existing exchanges and territories of the incumbent local exchange carrier.

13. Bond to Cover Deposits

tw telecom data services llc does not require deposits from customers in the normal course of its business. However, in the event that a local service customer has unknown or bad credit, **tw telecom data services llc** may require a reasonable deposit to protect its interests and that of its other customers. Applicant has established a bond for the deposits and will handle deposits and the return of deposits according to the rules and regulations of the State of Delaware.

14. **Tariff**

tw telecom data services llc's illustrative tariffs for the provision of local and interexchange service in Delaware are included as Attachment F and Attachment G to this Application. Applicant will file final tariffs to become effective after authority is granted.

14. **Has the Company Published Notice in the News Journal and Delaware State News and provided affidavits of publication?**

The Applicant understands that it must publish notice and provide affidavits of publication. Once a docket number has been assigned, the Applicant will publish the notice and will provide affidavits of publication to the Commission.

15. **Location of Records**

tw telecom data services llc has multistate operations and maintains all its records at Applicant's corporate headquarters in Littleton, Colorado. **tw telecom data services llc** will make these records available to the Commission staff in a timely manner and at **tw telecom data services llc**'s expense, when required. Applicant is requesting a waiver of a requirement that it maintain records within the state (see Section 18 following).

16. **Record Keeping System**

As a competitive carrier, **tw telecom data services llc** maintains its book of accounts in accordance with Generally Accepted Accounting Principles (GAAP). Applicant asserts that because it utilizes GAAP, the Commission will have a reliable means by which to evaluate Applicant's operations and assess its financial fitness.

17. **Toll Dialing Parity Plan**

The Applicant's Toll Dialing Parity Plan is submitted in Attachment H.

18. **Waivers**

The Commission's rules and regulations provide for exemptions from certain requirements if unreasonable hardship or difficulty will result from application of the requirements. Applicant requests that the Commission grant it a waiver of those regulatory requirements inapplicable to competitive local service providers such as Applicant. Such rules are not appropriate or necessary for competitive providers and constitute an economic barrier to entry into the local exchange market.

18. Waivers, (Cont'd.)

Specific Waiver Requests

Applicant is submitting concurrently with this Application a Waiver Request regarding the requirement to maintain books and records within the state of Delaware.

19. Public Interest Justification

The grant of Applicant's application to provide facilities-based and resold local exchange and interexchange services is in the public interest and services the public convenience and necessity. In enacting the Federal Communications Act of 1996, the United States Congress determined that it is in the public interest to promote competition in the provision of telecommunications services, including local exchange services. Experience with competition in other telecommunications markets, including long distance, competitive access, and customer premises equipment, demonstrates the benefits that competition can bring to consumers. Consumers are enjoying increased services, lower prices, higher quality and greater reliability. This is true not only with respect to the service offerings of the new entrants, but also as a result of the response of incumbent monopoly providers to the introduction of competition. The Applicant's proposed services will provide multiple public benefits by increasing the competitive choices available to users in Delaware. Enhanced competition in telecommunications will further stimulate economic development in Delaware. In addition, increased competition will create incentives for all carriers to offer lower prices, more innovative services and more responsive customer service.

CONCLUSION

This Application demonstrates that Applicant possesses the technical, financial and managerial resources to provide local service in Delaware. Furthermore, granting this Application will promote the public interest by increasing the level of competition in the state's telecommunications market. Ultimately, competition will compel all exchange telecommunications service providers to operate more efficiently and pass the resultant cost savings on to consumers. In addition, as a result of competition, the overall quality of local and long distance service will improve.

Wherefore, **tw telecom data services llc** respectfully requests that the Commission grant Applicant authority to operate as a provider of facilities-based and resold local and resold intraLATA interexchange telecommunications services in the State of Delaware; grant the waiver requested in this Application; and grant such other relief as it deems necessary and appropriate.

Respectfully submitted,
tw telecom data services llc

Tina Davis

Tina Davis
Senior Vice President and General Counsel
tw telecom data services llc

Connie Wightman
Consultant to **tw telecom data services llc**
Technologies Management, Inc.
P.O. Drawer 200
Winter Park, FL 32790-0200
Telephone: (407) 740-3002

VERIFICATION

STATE OF COLORADO §
§
COUNTY OF DOUGLAS §

Tina Davis, being first duly sworn, deposes and says: That she is Senior Vice President and General Counsel of **tw telecom data services llc**, and is authorized to and does make this affidavit for said corporation;

This Affidavit is made in connection with Applicant's application to the State of Delaware Public Service Commission to obtain certification as a local exchange and interexchange services provider;

That the Applicant certifies and agrees that intrastate telecommunications services will be provided in compliance with the Rules and Regulations of the Delaware Public Service Commission;

That the Applicant understands that certification as a public utility to provide intrastate telecommunications service is nontransferable and may be revoked by the Delaware Public Service Commission for violation of Commission Rules and Regulations;

That the Applicant understands that a certified utility is required to submit annual reports to the Commission recounting activities specified by Commission rules, and other reports as may be required from time to time;

That the Applicant understands that the Applicant cannot abandon or discontinue service, or any part thereof, established within the State of Delaware, without prior Commission and subscriber notification.

That the facts above set forth are true and correct to the best of her knowledge, information, and belief and that she expects said corporation to be able to prove the same at any hearing hereof.

Tina Davis

Tina Davis
Senior Vice President and General Counsel
tw telecom data services llc

Sworn and subscribe before me this 12 day of March, 2014.

Cheryll B Hart

Signature of official administering oath

My Commission expires 2/03/2017.

CHERYLL B. HART
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20054004699
MY COMMISSION EXPIRES FEB. 3, 2017

tw telecom data services llc

Attachment A

Articles of Formation

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "TIME WARNER TELECOM DATA SERVICES LLC", CHANGING ITS NAME FROM "TIME WARNER TELECOM DATA SERVICES LLC" TO "TW TELECOM DATA SERVICES LLC", FILED IN THIS OFFICE ON THE TWELFTH DAY OF MARCH, A.D. 2008, AT 10:45 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3526691 8100

AUTHENTICATION: 6471701

080311166

DATE: 03-24-08

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 10:45 AM 03/12/2008
FILED 10:45 AM 03/12/2008
SRV 080311166 - 3526691 FILE

CERTIFICATE OF AMENDMENT TO CERTIFICATE OF FORMATION OF TIME WARNER TELECOM DATA SERVICES LLC

This Certificate of Amendment to Certificate of Formation of Time Warner Telecom Data Services LLC (the "LLC") has been duly executed and is being filed by the LLC pursuant to Title 6, Section 18-202 of the Delaware Limited Liability Act, to amend the Certificate of Formation of the LLC filed with the Secretary of State of Delaware on May 10, 2002.

FIRST: The name of the limited liability company is Time Warner Telecom Data Services LLC.

SECOND: The Certificate of Formation of the limited liability company is hereby amended as follows by striking out Paragraph 1 thereof and by substituting in lieu of said Paragraph 1 the following new Paragraph:

1. "The name of the limited liability company formed hereby is **tw telecom data services llc.**"

THIRD: The sole member is Time Warner Telecom Holdings Inc. whose name has been changed to **tw telecom holdings inc.** by an amendment to its Certificate of Incorporation.

FOURTH: The effective date of this Certificate of Amendment is immediate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the 11th day of March, 2008.

Time Warner Telecom Data Services LLC
By: tw telecom holdings inc.,
its sole member

By: Tina Davis
Tina Davis
Senior Vice President and
Deputy General Counsel

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "TIME WARNER TELECOM OF MAINE LLC", CHANGING ITS NAME FROM "TIME WARNER TELECOM OF MAINE LLC" TO "TIME WARNER TELECOM DATA SERVICES LLC", FILED IN THIS OFFICE ON THE SECOND DAY OF OCTOBER, A.D. 2007, AT 8 O'CLOCK A.M.

3526691 8100

071237213

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6171901

DATE: 11-19-07

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 08:00 AM 10/02/2007
FILED 08:00 AM 10/02/2007
SRV 071076691 - 3526691 FILE

CERTIFICATE OF AMENDMENT TO CERTIFICATE OF FORMATION OF TIME WARNER TELECOM OF MAINE LLC

This Certificate of Amendment to Certificate of Formation of Time Warner Telecom of Maine LLC (the "LLC") has been duly executed and is being filed by the LLC pursuant to Title 6, Section 18-202 of the Delaware Limited Liability Act, to amend the Certificate of Formation of the LLC filed with the Secretary of State of Delaware.

FIRST: The name of the limited liability company is Time Warner Telecom of Maine LLC.

SECOND: The Certificate of Formation of the limited liability company is hereby amended as follows by striking out Paragraph 1 thereof and by substituting in lieu of said Paragraph 1 the following new Paragraph:

1. "The name of the limited liability company formed hereby is Time Warner Telecom Data Services LLC"

THIRD: The effective date of this Certificate of Amendment is immediate.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on the 27th day of September, 2007.

TIME WARNER TELECOM OF MAINE LLC
By: Time Warner Telecom Holdings Inc.
its sole member

By: Tina Davis
Tina Davis
Senior Vice President and
Deputy General Counsel

Delaware

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "TIME WARNER TELECOM OF MAINE LLC", FILED IN THIS OFFICE ON THE TENTH DAY OF MAY, A.D. 2002, AT 9:36 O'CLOCK A.M.

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

3526691 8100

020331120

AUTHENTICATION: 1797554

DATE: 05-28-02

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:36 AM 05/10/2002
020331120 – 3526691

CERTIFICATE OF FORMATION

OF

TIME WARNER TELECOM OF MAINE LLC

1. The name of the limited liability company is TIME WARNER TELECOM OF MAINE LLC.

2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

3. This Certificate of formation shall be effective immediately.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Formation of Time Warner Telecom of Maine LLC this 29th day of April, 2002.

Time Warner Telecom Holdings Inc.
its sole member

Tina Davis

Tina Davis, Vice President and
Deputy General Counsel

tw telecom data services llc

Attachment B

List of Corporate Officers and Directors

tw telecom holdings inc.

Directors:

Tina A. Davis	10475 Park Meadows Drive, #400 Littleton, CO 80124
Mark A. Peters	10475 Park Meadows Drive, #400 Littleton, CO 80124

Officers:

Larissa L. Herda	Chairman and Chief Executive Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
John T. Blount	President and Chief Operating Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
Mark A. Peters	Executive Vice President and Chief Financial Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
Tina A. Davis	Senior Vice President and General Counsel, Secretary	10475 Park Meadows Drive, #400 Littleton, CO 80124
Robert W. Gaskins	Senior Vice President, Corporate Development and Strategy	10475 Park Meadows Drive, #400 Littleton, CO 80124
Jill Stuart	Senior Vice President, Finance and Accounting	10475 Park Meadows Drive, #400 Littleton, CO 80124
Steven R. Hardardt	Senior Vice President, Human Resources and Business Administration	10475 Park Meadows Drive, #400 Littleton, CO 80124
Regina A. Vegliante	Vice President, Finance and Treasurer	10475 Park Meadows Drive, #400 Littleton, CO 80124

tw telecom inc.

Name	Office	Address
Larissa L. Herda	Director, Chairman and Chief Executive Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
John T. Blount	President and Chief Operating Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
Mark A. Peters	Executive Vice President and Chief Financial Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
Tina A. Davis	Senior Vice President and General Counsel, Secretary	10475 Park Meadows Drive, #400 Littleton, CO 80124
Robert W. Gaskins	Senior Vice President, Corporate Development and Strategy	10475 Park Meadows Drive, #400 Littleton, CO 80124
Jill R. Stuart	Senior Vice President, Finance and Accounting and Chief Accounting Officer	10475 Park Meadows Drive, #400 Littleton, CO 80124
Steven R. Hardardt	Senior Vice President, Human Resources and Business Administration	10475 Park Meadows Drive, #400 Littleton, CO 80124
Regina A. Vegliante	Vice President, Finance and Treasurer	10475 Park Meadows Drive, #400 Littleton, CO 80124
Gregory J. Attorri	Director	485 Park Avenue New York, NY 10022
Spencer B. Hays	Director	206 Daniel Drive Sanibel, FL 33957
Kevin W. Mooney	Director	2000 Daniel Island Drive Charleston, SC 29492
Kirby G. Pickle	Director	5775 Wayzata Boulevard Minneapolis, MN 55416
Roscoe C. Young, II	Director	88 E. Main Street, Suite 204 Mendham, NJ 07945

tw telecom data services llc

Attachment C

Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-34243

tw telecom inc.
(Exact name of Registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**84-1500624** **(I.R.S. Employer Identification Number)**
10475 Park Meadows Drive **Littleton, Colorado** **(Address of principal executive offices)**	**80124** **(Zip Code)**

Registrant's telephone number, including area code: (303) 566-1000

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of **tw telecom inc.**'s common stock as of October 31, 2013 was 144,065,951 shares.

INDEX TO FORM 10-Q

		Page
Part I. Financial Information		
Item 1.	Financial Statements:	
	Condensed Consolidated Balance Sheets at September 30, 2013 (unaudited) and December 31, 2012	3
	Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2013 and 2012 (unaudited)	4
	Condensed Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2013 and 2012 (unaudited)	5
	Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2013 and 2012 (unaudited)	6
	Condensed Consolidated Statement of Changes in Stockholders' Equity for the nine months ended September 30, 2013 (unaudited)	7
	Notes to Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	29
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	48
Item 4.	Controls and Procedures	48
Part II. Other Information		
Item 1.	Legal Proceedings	48
Item 1A.	Risk Factors	48
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	48
Item 5.	Other Information	48
Item 6.	Exhibits	49

Part I. Financial Information

Item 1. Financial Statements

tw telecom inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2013 (unaudited)	December 31, 2012
	(amounts in thousands, except per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 411,337	$ 806,728
Investments	158,184	167,564
Receivables, less allowances of $6,899 and $7,067, respectively	103,690	99,703
Prepaid expenses and other current assets	25,199	19,164
Deferred income taxes	76,160	76,160
Total current assets	774,570	1,169,319
Property, plant and equipment	4,495,600	4,247,868
Less accumulated depreciation	(2,921,701)	(2,755,622)
	1,573,899	1,492,246
Deferred income taxes	81,718	101,885
Goodwill	412,694	412,694
Intangible assets, net of accumulated amortization	13,056	17,578
Other assets, net	45,368	30,015
Total assets	$ 2,901,305	$ 3,223,737
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 62,681	$ 55,857
Deferred revenue	47,016	45,471
Accrued taxes, franchise and other fees	56,259	60,844
Accrued interest	27,480	20,343
Accrued payroll and benefits	48,554	45,727
Accrued carrier costs	16,330	30,765
Current portion debt and capital lease obligations, net	7,954	374,969
Other current liabilities	35,148	29,163
Total current liabilities	301,422	663,139
Long-term debt and capital lease obligations, net	1,822,817	1,384,242
Long-term deferred revenue	20,851	23,177
Other long-term liabilities	44,577	41,240
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 20,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $0.01 par value, 439,800 shares authorized, 153,760 and 151,953 shares issued, respectively	1,538	1,520
Additional paid-in capital	1,695,102	1,843,126
Treasury stock, 9,297 and 556 shares, at cost, respectively	(261,359)	(10,979)
Accumulated deficit	(723,773)	(721,793)
Accumulated other comprehensive income	130	65
Total stockholders' equity	711,638	1,111,939
Total liabilities and stockholders' equity	$ 2,901,305	$ 3,223,737

See accompanying notes to condensed consolidated financial statements.

tw telecom inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(amounts in thousands, except per share amounts)			
Revenue:				
Data and Internet services	$ 215,876	$ 189,164	$ 627,592	$ 548,495
Voice services	93,913	91,052	279,348	271,681
Network services	76,100	81,261	233,450	249,074
Intercarrier compensation	7,301	7,457	23,492	23,112
Total revenue	393,190	368,934	1,163,882	1,092,362
Costs and expenses [(a)]:				
Operating (exclusive of depreciation, amortization and accretion shown separately below)	164,254	156,195	489,467	458,374
Selling, general and administrative	103,438	83,341	293,438	254,011
Depreciation, amortization and accretion	78,566	70,726	228,613	209,589
Total costs and expenses	346,258	310,262	1,011,518	921,974
Operating income	46,932	58,672	152,364	170,388
Interest expense	(21,525)	(21,825)	(71,409)	(65,266)
Debt extinguishment costs	(38,915)	(77)	(39,314)	(77)
Interest income	98	84	548	281
Income (loss) before income taxes	(13,410)	36,854	42,189	105,326
Income tax expense (benefit)	(3,976)	15,885	21,132	45,706
Net income (loss)	$ (9,434)	$ 20,969	$ 21,057	$ 59,620
Earnings (loss) per share:				
Basic	$ (0.07)	$ 0.14	$ 0.14	$ 0.40
Diluted	$ (0.07)	$ 0.14	$ 0.14	$ 0.39
Weighted average shares outstanding:				
Basic	142,920	147,973	146,351	147,481
Diluted	142,920	150,359	149,334	149,781

[(a)] Includes non-cash stock-based employee compensation expense (Note 6):

Operating	$ 528	$ 473	$ 1,656	$ 1,428
Selling, general and administrative	$ 12,475	$ 6,667	$ 29,223	$ 20,889

See accompanying notes to condensed consolidated financial statements.

tw telecom inc.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(amounts in thousands)			
Net income (loss)	$ (9,434)	$ 20,969	$ 21,057	$ 59,620
Other comprehensive income, net of tax:				
Unrealized gain on available-for-sale securities	85	105	65	45
Other comprehensive income, net of tax	85	105	65	45
Comprehensive income (loss)	$ (9,349)	$ 21,074	$ 21,122	$ 59,665

See accompanying notes to condensed consolidated financial statements.

tw telecom inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended September 30,	
	2013	2012
	(amounts in thousands)	
Cash flows from operating activities:		
Net income	$ 21,057	$ 59,620
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	228,613	209,589
Deferred income taxes	20,103	44,306
Stock-based compensation expense	30,879	22,317
Loss on debt extinguishment	39,314	77
Amortization of discount on debt and deferred debt issue costs and other	9,107	18,697
Changes in operating assets and liabilities:		
Receivables, prepaid expenses and other assets	(8,737)	(10,231)
Accounts payable, deferred revenue and other liabilities	(9,870)	(24,591)
Net cash provided by operating activities	330,466	319,784
Cash flows from investing activities:		
Capital expenditures	(285,059)	(241,049)
Purchases of investments	(207,209)	(139,740)
Proceeds from sale of investments	215,291	126,881
Other investing activities, net	(2,555)	4,529
Net cash used in investing activities	(279,532)	(249,379)
Cash flows from financing activities:		
Proceeds from issuance of common stock upon exercise of stock options	59,729	20,097
Taxes paid related to net share settlement of equity awards	(20,830)	(9,962)
Purchases of treasury stock	(306,011)	(11,519)
Excess tax benefits from stock-based compensation	693	1,216
Proceeds from modification of debt, net of financing costs	49,684	—
Proceeds from issuance of debt, net of financing costs	766,155	—
Retirement of debt obligations	(991,978)	(101,518)
Payment of debt and capital lease obligations	(3,767)	(5,313)
Net cash used in financing activities	(446,325)	(106,999)
Decrease in cash and cash equivalents	(395,391)	(36,594)
Cash and cash equivalents at beginning of period	806,728	353,394
Cash and cash equivalents at end of period	$ 411,337	$ 316,800
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 65,792	$ 53,859
Cash paid for income taxes, net of refunds	$ 4,529	$ 6,566
Cash paid for debt extinguishment costs	$ 32,662	$ —
Addition of capital lease obligation	$ 8,789	$ 2,752

See accompanying notes to condensed consolidated financial statements.

tw telecom inc.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Nine months ended September 30, 2013
(Unaudited)

	Common Stock		Treasury Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income	Total stockholders' equity
	Shares	Amount	Shares	Amount				
				(amounts in thousands)				
Balance at December 31, 2012	151,953	$ 1,520	(556)	$ (10,979)	$ 1,843,126	$ (721,793)	$ 65	$ 1,111,939
Net income	—	—	—	—	—	21,057	—	21,057
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	65	65
Reacquisition of the equity component of convertible debentures	—	—	—	—	(179,195)	—	—	(179,195)
Purchases of treasury stock	—	—	(11,244)	(312,006)	—	—	—	(312,006)
Exercise of stock options net of withholdings to satisfy employee tax obligations upon vesting of stock awards	1,309	13	2,286	58,885	(3,702)	(16,297)	—	38,899
Stock-based compensation	498	5	217	2,741	34,873	(6,740)	—	30,879
Balance at September 30, 2013	153,760	$ 1,538	(9,297)	$ (261,359)	$ 1,695,102	$ (723,773)	$ 130	$ 711,638

See accompanying notes to condensed consolidated financial statements.

tw telecom inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Description of Business and Capital Structure

tw telecom inc. (together with its wholly-owned subsidiaries, the "Company") is a leading national provider of managed network services, specializing in business Ethernet, data networking, converged, Internet Protocol ("IP") based virtual private network or "IP VPN", Internet access, voice, including voice over Internet Protocol or "VoIP", and network security services to enterprise organizations, including public sector entities, and carriers throughout the United States, including their global locations.

The Company has one class of common stock outstanding with one vote per share. The Company also is authorized to issue shares of preferred stock. The Company's Board of Directors has the authority to establish voting powers, preferences, and special rights for the preferred stock. No shares of preferred stock have been issued.

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. These condensed consolidated financial statements should therefore be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC. The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and include all adjustments of a normal, recurring nature that are, in the opinion of management, necessary to present fairly the financial position and results of operations for the interim periods presented. The results of operations for an interim period are not necessarily indicative of the results of operations for a full fiscal year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (the "FASB") issued an accounting standard update that requires entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component. Additionally, entities are required to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of accumulated other comprehensive income and the respective income statement line items affected by the reclassification. The guidance does not change the current requirements for reporting net income or other comprehensive income. The accounting standard update is effective on a prospective basis for interim and annual periods beginning after December 15, 2012. The Company adopted this accounting standard update in the three months ended March 31, 2013. This update affected presentation and disclosure, but did not affect the Company's consolidated financial position, results of operations or cash flows. See "Accumulated Other Comprehensive Income" below.

Accumulated Other Comprehensive Income

The balance in accumulated other comprehensive income as of September 30, 2013 relates to the Company's investments that are classified as available-for-sale securities. The Company recognized no material changes in accumulated other comprehensive income for the three and nine months ended September 30, 2013. There were no significant items reclassified out of accumulated other comprehensive income for the three and nine months ended September 30, 2013.

Revenue

The Company's revenue is derived primarily from business communications services comprised of the following:

- Data and Internet services include services that enable customers to connect their internal computer networks between locations and to access external networks, including Internet access and data transport at high speeds using Ethernet protocol, local and wide-area business Ethernet and IP VPN solutions. Data and Internet services also include a portfolio of managed services including the data and Internet components of converged services, which fully integrates a combination of certain communication applications including IP VPN, Internet, enterprise Session Initiation Protocol (SIP), security and managed router service into a single managed IP solution, and the data and Internet components of integrated services, which enable customers to purchase a full array of access options that include Internet services.

- Voice services are traditional voice capabilities, including those provided as standalone and bundled services, long distance and toll free services. Voice services also include the voice components of converged and integrated services.

- Network services are point-to-point services that transmit voice, data and images using state-of-the-art fiber optics, and collocation services that provide secure space with controlled climate and power where customers can locate their equipment to connect to the Company's network in facilities equipped for enterprise information technology environmental requirements.

The Company also generates revenue from intercarrier compensation. Intercarrier compensation is comprised of switched access services and reciprocal compensation. Switched access represents the compensation from another carrier for the delivery of traffic from a long distance carrier's point of presence to an end-user's premises provided through the Company's switching facilities. The Federal Communications Commission ("FCC") and state public utility commissions regulate switched access rates in their respective jurisdictions. Reciprocal compensation represents compensation from local exchange carriers ("LECs") for local exchange traffic originated on another LEC's facilities and terminated on the Company's facilities.

The Company's customers include enterprise organizations in a wide variety of industry segments including, among others, the financial services, technology and scientific, health care, distribution, manufacturing and professional services industries, data center providers, cloud services providers, public sector entities, system integrators and communications service providers, including incumbent local exchange carriers ("ILECs"), competitive local exchange carriers ("CLECs"), wireless communications companies and cable companies.

Revenue for network, data and Internet, and the majority of voice services is generally billed in advance on a monthly fixed rate basis and recognized over the period the services are provided. Revenue for the majority of intercarrier compensation and certain components of voice services, such as long distance, is generally billed on a transactional basis in arrears based on a customer's actual usage; therefore, estimates are used to recognize revenue in the period earned.

The Company evaluates whether receivables are reasonably assured of collection based on certain factors, including the likelihood of billing being disputed by customers. If there is a billing dispute with a customer, revenue generally is not recognized until the dispute is resolved. The Company does not recognize revenue associated with contract termination charges until cash is received.

The Company classifies certain taxes and fees billed to customers and remitted to government authorities on a gross versus net basis in revenue and expense. In making this determination, the Company assesses, among other things, whether the Company is the primary obligor or principal taxpayer for the taxes and fees assessed in each jurisdiction where the Company does business. In jurisdictions where the Company determines that it is the principal taxpayer, the Company records the taxes and fees on a gross basis, including the taxes and fees in revenue and expense. In jurisdictions where the Company determines that it is merely a collection agent for the government authority, the Company records the taxes on a net basis. The total amounts classified as revenue, primarily included in voice services, associated with such taxes and fees were approximately $20.5 million and $19.3 million for the three months ended September 30, 2013 and 2012, respectively, and approximately $61.7 million and $58.8 million for the nine months ended September 30, 2013 and 2012, respectively.

Significant Customers

The Company has substantial business relationships with a few large customers, including major telecommunications carriers. The Company's 10 largest customers accounted for an aggregate of 18% and 19% of the Company's total revenue for the nine months ended September 30, 2013 and 2012, respectively. No customer accounted for 5% or more of total revenue for the nine months ended September 30, 2013 or 2012.

2. Earnings (Loss) per Common Share and Potential Common Share

Basic earnings (loss) per common share ("EPS") is measured as the income or loss allocated to common stockholders divided by the weighted average outstanding common shares for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (such as convertible securities and stock options) as if they had been converted to shares at the beginning of the period presented. Potential common shares that have an anti-dilutive effect (*e.g.*, those that increase income per share) are excluded from diluted EPS.

The following is a reconciliation of the numerators and denominators used in the basic and diluted EPS computations:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(amounts in thousands, except per share amounts)			
Numerator				
Net income (loss)	$ (9,434)	$ 20,969	$ 21,057	$ 59,620
Allocation of net income to unvested restricted stock awards	—	(437)	(407)	(1,245)
Net income (loss) allocated to common stockholders, basic	$ (9,434)	$ 20,532	$ 20,650	$ 58,375
Net income (loss) allocated to common stockholders, diluted	$ (9,434)	$ 20,532	$ 20,650	$ 58,375
Denominator				
Basic weighted average shares outstanding	142,920	147,973	146,351	147,481
Dilutive potential common shares:				
Stock options	—	1,763	1,036	1,633
Unvested restricted stock	—	623	1,947	667
Diluted weighted average shares outstanding	142,920	150,359	149,334	149,781
Basic earnings (loss) per share	$ (0.07)	$ 0.14	$ 0.14	$ 0.40
Diluted earnings (loss) per share	$ (0.07)	$ 0.14	$ 0.14	$ 0.39

Options to purchase shares of the Company's common stock and restricted stock awards and restricted stock units to be settled in common stock upon vesting, which were excluded from the computation of diluted weighted average shares outstanding because their inclusion would be anti-dilutive, totaled 5.3 million shares for the three months ended September 30, 2013. There were no anti-dilutive shares for the nine months ended September 30, 2013. Shares of common stock subject to issuance upon conversion of the Company's $2^3/_8$% Convertible Senior Debentures due 2026 (the "Convertible Debentures"), options to purchase shares of the Company's common stock and restricted stock awards and restricted stock units to be settled in common stock upon vesting, which were excluded from the computation of diluted weighted average shares outstanding because their inclusion would be anti-dilutive, totaled 23.2 million shares in each of the three and nine months ended September 30, 2012.

3. Investments

The Company's investments at September 30, 2013 and December 31, 2012 are summarized as follows:

	September 30, 2013	December 31, 2012
	(amounts in thousands)	
Cash equivalents:		
Prime money market mutual funds	$ 327,106	$ 425,165
U.S. Treasury money market mutual funds	49,532	262,967
Commercial paper	19,995	30,692
Certificates of deposit	9,400	8,000
Debt securities issued by U.S. Government agencies	—	4,999
Total cash equivalents	406,033	731,823
Investments:		
Debt securities issued by the U.S. Treasury	72,693	89,870
Commercial paper	59,473	32,480
Debt securities issued by U.S. Government agencies	26,018	45,214
Total investments	158,184	167,564
Total cash equivalents and investments	$ 564,217	$ 899,387

At September 30, 2013 and December 31, 2012, the carrying values of investments included in cash and cash equivalents approximated fair value. The aggregate fair value of available-for-sale securities by major security type is included in Note 5. The amortized cost basis of the available-for-sale securities was not materially different from the aggregate fair value. The contractual maturities of the Company's available-for-sale securities are all within one year.

Proceeds from the sale and maturity of available-for-sale securities were $90.3 million and $20.8 million during the three months ended September 30, 2013 and 2012, respectively, and $215.3 million and $126.9 million during the nine months ended September 30, 2013 and 2012, respectively. Gains and losses on investments are calculated using the specific identification method and are recognized during the period the investment is sold. The Company recognized no material unrealized or realized net gains or losses during the three and nine months ended September 30, 2013 and 2012.

4. Long-Term Debt and Capital Lease Obligations

The components of long-term debt and capital lease obligations at September 30, 2013 and December 31, 2012 were as follows:

	September 30, 2013	December 31, 2012
	(amounts in thousands)	
Term Loan B - extended tranche, due 2016	$ —	$ 463,019
8% Senior Notes, due 2018	23,479	430,000
Term Loan B, due 2020	518,700	—
$5^3/_8$% Senior Notes, due 2022 issued October 2012	480,000	480,000
$5^3/_8$% Senior Notes, due 2022 issued August 2013	450,000	—
$6^3/_8$% Senior Notes, due 2023	350,000	—
$2^3/_8$% Convertible Senior Debentures, due 2026	—	373,743
Capital lease obligations	27,835	20,091
Total obligations	1,850,014	1,766,853
Unamortized discounts	(19,243)	(7,642)
Current portion	(7,954)	(374,969)
Total long-term debt and capital lease obligations	$ 1,822,817	$ 1,384,242

As of September 30, 2013, **tw telecom inc.** and its wholly-owned subsidiary, **tw telecom holdings inc.** ("Holdings"), were in compliance with all of their debt covenants.

Modification of Term Loan and Revolver

As of December 31, 2012, Holdings had a senior secured credit facility consisting of an $463.0 million outstanding principal amount Term Loan B (the "Term Loan") due December 2016 and an undrawn $80 million Revolving Credit Facility (the "Revolver") expiring December 2014. In April 2013, Holdings entered into a Second Amended and Restated Credit Agreement ("Amendment and Restatement") to increase the Term Loan to $520 million and extend the maturity date to April 2020. The Term Loan was issued at an offering price of 99.5% of the principal amount. Additionally, the Amendment and Restatement increased the Revolver, which remains undrawn, to $100 million and extended the maturity date to April 2018. Components of the Amendment and Restatement are detailed below:

- The Term Loan is a secured obligation, on a first lien basis, of Holdings. The Term Loan is guaranteed by the Company and Holdings' subsidiaries. Repayments of the Term Loan are due quarterly in an amount equal to 1/4 of 1% of the aggregate principal amount on the last day of each quarter commencing September 30, 2013. Interest on the Term Loan is computed based on a specified Eurodollar rate plus 2.5%. Interest is reset periodically and payable at least quarterly. Based on the Eurodollar rate in effect at September 30, 2013, the effective interest rate was 2.68%. In accordance with applicable accounting guidance, the amended and restated Term Loan agreement was accounted for as a modification of the existing debt. The fees paid to the lenders of $4.6 million were added to the existing deferred debt issuance costs and will be amortized through the maturity date of the Term Loan.

- The Revolver is secured and guaranteed in the same manner as the Term Loan. Interest on outstanding Revolver amounts, if any, will be computed based on a specified Eurodollar rate plus 1.75%-2.75%, depending on the Company's consolidated total leverage ratio, as defined in the Revolver, and will be reset periodically and payable quarterly. The Company is required to pay a commitment fee on the undrawn commitment amounts on a quarterly basis of 0.375%-0.5% per annum. The Amendment and Restatement contains customary affirmative and negative covenants. Most of the Revolver covenants apply whether or not the Company draws on that facility. In addition, if the Revolver were drawn, certain financial maintenance covenants would apply. The fees paid to the lenders of $1.4 million were added to existing debt issuance costs and will be amortized through the expiration date.

Retirement of Convertible Debentures

As of December 31, 2012, the Company had outstanding $373.7 million principal amount of Convertible Debentures. The Convertible Debentures were redeemable in whole or in part at the Company's option at any time on or after April 6, 2013 at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus accrued and unpaid interest. On May 29, 2013, the Company called for redemption all of the remaining outstanding Convertible Debentures. Holders of the Convertible Debentures had the option to require the Company to purchase all or part of the Convertible Debentures on April 1, 2013, at 100% of the principal and unpaid interest, or at any time prior to April 1, 2026, to convert the debentures into shares of the Company's common stock. Upon conversion, the Company had the right to deliver, in lieu of shares of common stock, cash or a combination of cash and shares of common stock. The Company elected to settle its conversion obligation entirely in cash.

In the three months ended June 30, 2013, the Company settled approximately $177.2 million principal amount of the Convertible Debentures for $255.8 million as a result of repurchases by the Company and conversions by holders of the Convertible Debentures. During the three months ended September 30, 2013, the remaining $196.5 million outstanding principal amount of the Convertible Debentures was settled for approximately $296.9 million as a result of conversions by holders of the Convertible Debentures in connection with the redemption, resulting in total settlements of repurchases and conversions of approximately $552.7 million for $373.7 million principal amount of the Convertible Debentures for the nine months ended September 30, 2013.

Debt Offering and Concurrent Cash Tender Offer

In August 2013, Holdings completed a private offering of $800 million Senior Notes, including $450 million principal amount of 5 $^{3}/_{8}$% Senior Notes due 2022 (the "2022 Mirror Notes") at an offering price of 96.250% of the principal amount and $350 million principal amount of 6 $^{3}/_{8}$% Senior Notes due 2023 (the "2023 Notes") at an offering price of 100% of the principal amount. The net proceeds from the offerings were used to fund Holdings' repurchase of a portion of its $430 million principal amount of 8% Senior Notes due March 2018 (the "2018 Notes") that were tendered in a concurrent cash tender offer (see discussion below) and for general corporate purposes.

The 2022 Mirror Notes have substantially the same terms and conditions as Holdings' outstanding $480 million principal amount of 5 $^{3}/_{8}$% Senior Notes due 2022 that were issued in October 2012 and are unsecured obligations of Holdings guaranteed by the Company and substantially all of Holdings' subsidiaries. Interest is payable semi-annually on April 1 and October 1, commencing on October 1, 2013. Interest accrued on the 2022 Mirror Notes from April 1, 2013, and the first interest payment on the 2022 Mirror Notes included accrued interest from April 1, 2013. Purchasers of the 2022 Mirror Notes paid pre-settlement interest of $9.7 million from April 1, 2013 to the settlement date (August 26, 2013). The 2022 Mirror Notes are redeemable in whole or in part, at Holdings' option, at any time prior to October 1, 2017 at a price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, liquidated damages, if any, plus a make-whole premium. The 2022 Mirror Notes are also redeemable in whole or in part, at the Company's option, at any time on or after October 1, 2017, 2018, 2019 and 2020 at redemption prices of 102.688%, 101.792%, 100.896% and 100%, respectively, of the principal amount, plus accrued and unpaid interest, if any, and liquidated damages, if any. In addition, at any time prior to October 1, 2015, at Holdings' option, Holdings may redeem up to 35% of the aggregate principal amount of the 2022 Mirror Notes with net proceeds from one or more equity offerings by the Company at a redemption price of 105.375% of their principal amount, plus accrued and unpaid interest, if any, and liquidated damages, if any. Offering costs of $9.8 million related to the 2022 Mirror Notes were deferred and will be amortized to interest expense over the term of the 2022 Mirror Notes.

The 2023 Notes are unsecured obligations of Holdings and are guaranteed by the Company and substantially all of Holdings' subsidiaries. Interest is payable semi-annually on March 1 and September 1, commencing on March 1, 2014. The 2023 Notes are redeemable in whole or in part, at Holdings' option, at any time prior to September 1, 2018 at a price equal to 100% of the principal amount, plus accrued and unpaid interest, if any, liquidated damages, if any, plus a make-whole premium. The 2023 Notes are also redeemable in whole or in part, at the Company's option, at any time on or after September 1, 2018, 2019, 2020 and 2021 at redemption prices of 103.188%, 102.125%, 101.063% and 100%, respectively, of the principal amount, plus accrued and unpaid interest, if any, and liquidated damages, if any. In addition, at any time prior to September 1, 2016, at Holdings' option, it may redeem up to 35% of the aggregate principal amount of the 2023 Notes with net proceeds from one or more equity offerings by the Company at a redemption price of 106.375% of their principal amount, plus accrued and unpaid interest, if any, and liquidated damages, if any. Offering costs of $7.6 million related to the 2023 Notes were deferred and will be amortized to interest expense over the term of the 2023 Notes.

The Company has agreed to file an exchange offer registration statement or in certain circumstances, a shelf registration statement, within 180 days of issuance of the 2022 Mirror Notes and 2023 Notes on August 26, 2013 to enable the holders of the 2022 Mirror Notes and 2023 Notes to exchange the unregistered 2022 Mirror Notes and 2023 Notes for notes registered under the Securities Act of 1933 with substantially identical terms.

In the three months ended September 30, 2013, Holdings received and accepted tenders of approximately $406.5 million aggregate principal amount of the 2018 Notes for $438.7 million. The completion of this tender offer resulted in debt extinguishment costs of $38.9 million, comprised of premiums and fees associated with this tender offer of $32.2 million and write-offs of unamortized deferred debt issuance costs and issuance discount related to the 2018 Notes of $5.1 million and $1.6 million, respectively. Approximately $23.5 million principal amount of the 2018 Notes remained outstanding as of September 30, 2013.

5. Fair Value Measurements

Fair value, as defined by relevant accounting standards, is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would complete a transaction and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

Fair Value Hierarchy

Relevant accounting standards set forth a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Relevant accounting standards establish three levels of inputs that may be used to measure fair value:

- *Level 1*—Quoted prices in active markets for identical assets or liabilities. Level 1 assets that are measured at fair value on a recurring basis consist of the Company's investments in prime money market mutual funds and U.S. Treasury money market mutual funds that are traded in an active market with sufficient volume and frequency of transactions, and are included as a component of cash and cash equivalents in the condensed consolidated balance sheets.
- *Level 2*—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets that are measured at fair value on a recurring basis consist of the Company's investments in certificates of deposit, commercial paper and debt securities issued by the U.S. Treasury and other U.S. government agencies using observable inputs in less active markets and are included as a component of cash and cash equivalents and investments in the condensed consolidated balance sheets. Level 2 liabilities that are measured, but not carried, at fair value on a recurring basis include the Company's long-term debt. The Company's long-term debt has not been listed on any securities exchange or quoted on an inter-dealer automated quotation system. The Company has estimated the fair value of its long-term debt based on indicative pricing published by certain investment banks or trading levels in its long-term debt.
- *Level 3*—Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities. The Company did not have any Level 3 assets or liabilities that were measured at fair value at September 30, 2013 and December 31, 2012.

The following table reflects assets and liabilities that are measured and carried at fair value on a recurring basis at September 30, 2013 and December 31, 2012:

	Fair Value Measurements At September 30, 2013			Assets at Fair Value
	Level 1	Level 2	Level 3	
	(amounts in thousands)			
Assets				
Prime money market mutual funds	$ 327,106	$ —	$ —	$ 327,106
U.S. Treasury money market mutual funds	49,532	—	—	49,532
Commercial paper	—	19,995	—	19,995
Certificates of deposit	—	9,400	—	9,400
Investments included in cash and cash equivalents	$ 376,638	$ 29,395	$ —	$ 406,033
Debt securities issued by the U.S. Treasury	—	72,693	—	72,693
Commercial paper	—	59,473	—	59,473
Debt securities issued by U.S. Government agencies	—	26,018	—	26,018
Short-term investments	$ —	$ 158,184	$ —	$ 158,184
Total assets	$ 376,638	$ 187,579	$ —	$ 564,217

	Fair Value Measurements At December 31, 2012			Assets at Fair Value
	Level 1	Level 2	Level 3	
	(amounts in thousands)			
Assets				
Prime money market mutual funds	$ 425,165	$ —	$ —	$ 425,165
U.S. Treasury money market mutual funds	262,967	—	—	262,967
Commercial paper	—	30,692	—	30,692
Certificates of deposit	—	8,000	—	8,000
Debt securities issued by U.S. Government agencies	—	4,999	—	4,999
Investments included in cash and cash equivalents	$ 688,132	$ 43,691	$ —	$ 731,823
Debt securities issued by the U.S. Treasury	—	89,870	—	89,870
Debt securities issued by U.S. Government agencies	—	45,214	—	45,214
Commercial paper	—	32,480	—	32,480
Short-term investments	$ —	$ 167,564	$ —	$ 167,564
Total assets	$ 688,132	$ 211,255	$ —	$ 899,387

The following table summarizes the carrying amounts and estimated fair values of the Company's long-term debt, including the current portion, at September 30, 2013 and December 31, 2012:

	September 30, 2013		December 31, 2012	
	Carrying Value	Fair Value Level 2	Carrying Value	Fair Value Level 2
	(amounts in thousands)			
Term Loan B - Extended tranche, due 2016	$ —	$ —	$ 463,019	$ 465,334
8% Senior Notes, net of discount	23,386	25,064	428,001	470,850
Term Loan B, net of discount	516,270	519,997	—	—
$5^3/_8$% Senior Notes issued October 2012	480,000	460,800	480,000	505,200
$5^3/_8$% Senior Notes, net of discount, issued August 2013	433,280	432,000	—	—
$6^3/_8$% Senior Notes	350,000	352,625	—	—
$2^3/_8$% Convertible Senior Debentures, net of discount	—	—	368,100	512,159
Total debt	$ 1,802,936	$ 1,790,486	$ 1,739,120	$ 1,953,543

6. Stock-Based Compensation

During the nine months ended September 30, 2013, the Company granted restricted stock awards and restricted stock units with respect to 1.4 million shares and no stock options. As of September 30, 2013, the Company had 4.0 million restricted stock awards and restricted stock units that were unvested and 1.3 million stock options outstanding, of which 1.1 million were exercisable.

As of September 30, 2013, there was $64.1 million of total unrecognized compensation expense related to unvested restricted stock awards and restricted stock units, which is expected to be recognized over a weighted-average period of 2.3 years, and $0.4 million of total unrecognized compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 0.4 years.

7. Commitments and Contingencies

Management routinely reviews the Company's exposure to liabilities incurred in the normal course of its business operations. Where a probable contingency exists and the amount of the loss can be reasonably estimated, the Company records the estimated liability. Considerable judgment is required in analyzing and recording such liabilities and actual results may vary from the estimates.

The Company's pending legal proceedings are limited to litigation incidental to its business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Company's financial statements.

8. Subsequent Event

On November 6, 2013, the Company announced an accelerated market expansion to increase its metropolitan fiber route miles by approximately 17% into five new markets and 27 existing markets. The Company is also expanding its regional fiber footprint in order to achieve greater network control and cost efficiency. To facilitate this expansion, the Company entered into long-term capital leases for fiber that the Company plans to light with its own electronics. The initial term of the leases is 20 years, with two ten-year renewals at the Company's option, and automatic renewals thereafter until terminated by either party. The Company expects to recognize a right-to-use asset and corresponding capital lease obligation of approximately $120 million in the three months ended December 31, 2013 representing the minimum commitment under the leases, which are expected to result in aggregate committed lease payments over the initial 20 year lease term of approximately $220 million.

9. Supplemental Guarantor Information

The 2018 Notes, 2022 Notes, 2022 Mirror Notes and 2023 Notes (collectively, the "Senior Notes") are unsecured obligations of Holdings ("Issuer") and are guaranteed by the Company ("Parent Guarantor") and substantially all of the Issuer's subsidiaries ("Combined Subsidiary Guarantors"). The guarantees are joint and several. A significant amount of the Issuer's cash flow is generated by the Combined Subsidiary Guarantors. As a result, funds necessary to meet the Issuer's debt service obligations are provided in large part by distributions or advances from the Combined Subsidiary Guarantors. The Senior Notes are governed by indentures that contain certain restrictive covenants. These restrictions affect, and in many respects limit or prohibit, among other things, the ability of the Parent Guarantor, the Issuer and its subsidiaries to incur indebtedness, make prepayments of certain indebtedness, pay dividends, make investments, engage in transactions with stockholders and affiliates, issue capital stock of subsidiaries, create liens, sell assets and engage in mergers and consolidations.

The following information sets forth the Company's Condensed Consolidating Balance Sheets as of September 30, 2013 and December 31, 2012, Condensed Consolidating Statements of Operations for the three and nine months ended September 30, 2013 and 2012, Condensed Consolidating Statements of Comprehensive Income for the three and nine months ended September 30, 2013 and 2012, and Condensed Consolidating Statements of Cash Flows for the nine months ended September 30, 2013 and 2012.

tw telecom inc.

CONDENSED CONSOLIDATING BALANCE SHEET
September 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 24,544	$ 386,793	$ —	$ —	$ 411,337
Investments	—	158,184	—	—	158,184
Receivables, net	—	—	103,690	—	103,690
Prepaid expenses and other current assets	—	16,743	8,456	—	25,199
Deferred income taxes	—	76,140	20	—	76,160
Intercompany receivable	1,013,498	1,391,938	—	(2,405,436)	—
Total current assets	1,038,042	2,029,798	112,166	(2,405,436)	774,570
Property, plant and equipment, net	—	65,106	1,508,793	—	1,573,899
Deferred income taxes	—	81,234	484	—	81,718
Goodwill	—	—	412,694	—	412,694
Intangible and other assets, net	—	36,830	21,594	—	58,424
Total assets	$ 1,038,042	$ 2,212,968	$ 2,055,731	$ (2,405,436)	$ 2,901,305
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 10,441	$ 52,240	$ —	$ 62,681
Current portion debt and capital lease obligations	—	5,793	2,161	—	7,954
Other current liabilities	—	88,340	142,447	—	230,787
Intercompany payable	—	—	2,405,436	(2,405,436)	—
Total current liabilities	—	104,574	2,602,284	(2,405,436)	301,422
Losses in subsidiary in excess of investment	326,435	881,251	—	(1,207,686)	—
Long-term debt and capital lease obligations, net	—	1,797,736	25,081	—	1,822,817
Long-term deferred revenue	—	—	20,851	—	20,851
Other long-term liabilities	—	7,144	37,433	—	44,577
Stockholders' equity (deficit)	711,607	(577,737)	(629,918)	1,207,686	711,638
Total liabilities and stockholders' equity	$ 1,038,042	$ 2,212,968	$ 2,055,731	$ (2,405,436)	$ 2,901,305

tw telecom inc.

CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2012

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 24,544	$ 782,184	$ —	$ —	$ 806,728
Investments	—	167,564	—	—	167,564
Receivables, net	—	—	99,703	—	99,703
Prepaid expenses and other current assets	—	11,270	7,894	—	19,164
Deferred income taxes	—	76,140	20	—	76,160
Intercompany receivable	1,864,694	506,610	—	(2,371,304)	—
Total current assets	1,889,238	1,543,768	107,617	(2,371,304)	1,169,319
Property, plant and equipment, net	—	48,686	1,443,560	—	1,492,246
Deferred income taxes	—	101,401	484	—	101,885
Goodwill	—	—	412,694	—	412,694
Intangible and other assets, net	275	20,634	26,684	—	47,593
Total assets	$ 1,889,513	$ 1,714,489	$ 1,991,039	$ (2,371,304)	$ 3,223,737
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 7,141	$ 48,716	$ —	$ 55,857
Current portion debt and capital lease obligations, net	368,100	5,475	1,394	—	374,969
Other current liabilities	2,219	64,564	165,530	—	232,313
Intercompany payable	—	—	2,371,304	(2,371,304)	—
Total current liabilities	370,319	77,180	2,586,944	(2,371,304)	663,139
Losses in subsidiary in excess of investment	407,286	862,681	—	(1,269,967)	—
Long-term debt and capital lease obligations, net	—	1,366,463	17,779	—	1,384,242
Long-term deferred revenue	—	—	23,177	—	23,177
Other long-term liabilities	—	7,024	34,216	—	41,240
Stockholders' equity (deficit)	1,111,908	(598,859)	(671,077)	1,269,967	1,111,939
Total liabilities and stockholders' equity (deficit)	$ 1,889,513	$ 1,714,489	$ 1,991,039	$ (2,371,304)	$ 3,223,737

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Three Months Ended September 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 393,190	$ —	$ 393,190
Costs and expenses:					
Operating, selling, general and administrative	—	71,869	195,823	—	267,692
Depreciation, amortization and accretion	—	7,285	71,281	—	78,566
Corporate expense allocation	—	(79,154)	79,154	—	—
Total costs and expenses	—	—	346,258	—	346,258
Operating income	—	—	46,932	—	46,932
Interest expense, net	(12)	(18,231)	(3,184)	—	(21,427)
Debt extinguishment costs	—	(38,915)	—	—	(38,915)
Interest expense allocation	12	57,146	(57,158)	—	—
Income (loss) before income taxes and equity in undistributed earnings of subsidiaries	—	—	(13,410)	—	(13,410)
Income tax expense (benefit)	—	(4,187)	211	—	(3,976)
Net income (loss) before equity in undistributed earnings of subsidiaries	—	4,187	(13,621)	—	(9,434)
Equity in undistributed earnings (losses) of subsidiaries	(9,434)	(13,621)	—	23,055	—
Net income (loss)	$ (9,434)	$ (9,434)	$ (13,621)	$ 23,055	$ (9,434)

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Three Months Ended September 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 368,934	$ —	$ 368,934
Costs and expenses:					
Operating, selling, general and administrative	—	55,911	183,625	—	239,536
Depreciation, amortization and accretion	—	6,171	64,555	—	70,726
Corporate expense allocation	—	(62,082)	62,082	—	—
Total costs and expenses	—	—	310,262	—	310,262
Operating income	—	—	58,672	—	58,672
Interest expense, net	(7,903)	(12,213)	(1,625)	—	(21,741)
Debt extinguishment costs	—	(77)	—	—	(77)
Interest expense allocation	7,903	12,290	(20,193)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	—	—	36,854	—	36,854
Income tax expense	—	15,328	557	—	15,885
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(15,328)	36,297	—	20,969
Equity in undistributed earnings of subsidiaries	20,969	36,297	—	(57,266)	—
Net income	$ 20,969	$ 20,969	$ 36,297	$ (57,266)	$ 20,969

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

Nine months ended September 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 1,163,882	$ —	$ 1,163,882
Costs and expenses:					
Operating, selling, general and administrative	—	203,843	579,062	—	782,905
Depreciation, amortization and accretion	—	20,571	208,042	—	228,613
Corporate expense allocation	—	(224,414)	224,414	—	—
Total costs and expenses	—	—	1,011,518	—	1,011,518
Operating income	—	—	152,364	—	152,364
Interest expense, net	(9,717)	(54,051)	(7,093)	—	(70,861)
Debt extinguishment costs	(327)	(38,987)	—	—	(39,314)
Interest expense allocation	10,044	93,038	(103,082)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	—	—	42,189	—	42,189
Income tax expense	—	20,102	1,030	—	21,132
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(20,102)	41,159	—	21,057
Equity in undistributed earnings of subsidiaries	21,057	41,159	—	(62,216)	—
Net income	$ 21,057	$ 21,057	$ 41,159	$ (62,216)	$ 21,057

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Nine months ended September 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 1,092,362	$ —	$ 1,092,362
Costs and expenses:					
Operating, selling, general and administrative	—	161,337	551,048	—	712,385
Depreciation, amortization and accretion	—	17,640	191,949	—	209,589
Corporate expense allocation	—	(178,977)	178,977	—	—
Total costs and expenses	—	—	921,974	—	921,974
Operating income	—	—	170,388	—	170,388
Interest expense, net	(23,370)	(36,300)	(5,315)	—	(64,985)
Debt extinguishment costs	—	(77)	—	—	(77)
Interest expense allocation	23,370	36,377	(59,747)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	—	—	105,326	—	105,326
Income tax expense	—	44,305	1,401	—	45,706
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(44,305)	103,925	—	59,620
Equity in undistributed earnings of subsidiaries	59,620	103,925	—	(163,545)	—
Net income	$ 59,620	$ 59,620	$ 103,925	$ (163,545)	$ 59,620

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Three Months Ended September 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Net income (loss)	$ (9,434)	$ (9,434)	$ (13,621)	$ 23,055	$ (9,434)
Other comprehensive loss, net of tax:					
Unrealized gain on available-for-sale securities	85	85	—	(85)	85
Other comprehensive income, net of tax	85	85	—	(85)	85
Comprehensive income (loss)	$ (9,349)	$ (9,349)	$ (13,621)	$ 22,970	$ (9,349)

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Three Months Ended September 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Net income	$ 20,969	$ 20,969	$ 36,297	$ (57,266)	$ 20,969
Other comprehensive loss, net of tax:					
Unrealized gain on available-for-sale securities	105	105	—	(105)	105
Other comprehensive income, net of tax	105	105	—	(105)	105
Comprehensive income	$ 21,074	$ 21,074	$ 36,297	$ (57,371)	$ 21,074

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Nine months ended September 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Net income	$ 21,057	$ 21,057	$ 41,159	$ (62,216)	$ 21,057
Other comprehensive loss, net of tax:					
Unrealized gain on available-for-sale securities	65	65	—	(65)	65
Other comprehensive income, net of tax	65	65	—	(65)	65
Comprehensive income	$ 21,122	$ 21,122	$ 41,159	$ (62,281)	$ 21,122

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Nine months ended September 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Net income	$ 59,620	$ 59,620	$ 103,925	$ (163,545)	$ 59,620
Other comprehensive loss, net of tax:					
Unrealized gain on available-for-sale securities	45	45	—	(45)	45
Other comprehensive income, net of tax	45	45	—	(45)	45
Comprehensive income	$ 59,665	$ 59,665	$ 103,925	$ (163,590)	$ 59,665

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
Nine months ended September 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Cash flows from operating activities:					
Net income	$ 21,057	$ 21,057	$ 41,159	$ (62,216)	$ 21,057
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and accretion	—	20,571	208,042	—	228,613
Deferred income taxes	—	20,103	—	—	20,103
Stock-based compensation expense	—	—	30,879	—	30,879
Extinguishment costs, amortization of discount on debt and deferred debt issue costs and other	6,244	42,177	—	—	48,421
Intercompany and equity investment changes	795,294	(866,758)	9,248	62,216	—
Changes in operating assets and liabilities	(2,219)	20,864	(37,252)	—	(18,607)
Net cash provided by (used in) operating activities	820,376	(741,986)	252,076	—	330,466
Cash flows from investing activities:					
Capital expenditures	—	(36,117)	(248,942)	—	(285,059)
Purchases of investments	—	(207,209)	—	—	(207,209)
Proceeds from sale of investments	—	215,291	—	—	215,291
Other investing activities, net	—	(328)	(2,227)	—	(2,555)
Net cash used in investing activities	—	(28,363)	(251,169)	—	(279,532)
Cash flows from financing activities:					
Net proceeds (tax withholdings) from issuance of common stock upon exercise of stock options and vesting of restricted stock awards and units	38,899	—	—	—	38,899
Purchases of treasury stock	(306,011)	—	—	—	(306,011)
Excess tax benefits from stock-based compensation	—	693	—	—	693
Proceeds from modification of debt, net of financing costs	—	49,684	—	—	49,684
Proceeds from issuance of debt, net of financing costs	—	766,155	—	—	766,155
Retirement of debt obligations	(553,264)	(438,714)	—	—	(991,978)
Payment of debt and capital lease obligations	—	(2,860)	(907)	—	(3,767)
Net cash (used in) provided by financing activities	(820,376)	374,958	(907)	—	(446,325)
Decrease in cash and cash equivalents	—	(395,391)	—	—	(395,391)
Cash and cash equivalents at beginning of period	24,544	782,184	—	—	806,728
Cash and cash equivalents at end of period	$ 24,544	$ 386,793	$ —	$ —	$ 411,337

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
Nine months ended September 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Cash flows from operating activities:					
Net income	$ 59,620	$ 59,620	$ 103,925	$ (163,545)	$ 59,620
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and accretion	—	17,640	191,949	—	209,589
Deferred income taxes	—	44,306	—	—	44,306
Stock-based compensation expense	—	—	22,317	—	22,317
Amortization of discount on debt and deferred debt issue costs and other	16,713	2,061	—	—	18,774
Intercompany and equity investment changes	(77,167)	(23,686)	(62,692)	163,545	—
Changes in operating assets and liabilities	2,219	(8,331)	(28,710)	—	(34,822)
Net cash provided by operating activities	1,385	91,610	226,789	—	319,784
Cash flows from investing activities:					
Capital expenditures	—	(11,942)	(229,107)	—	(241,049)
Purchases of investments	—	(139,740)	—	—	(139,740)
Proceeds from sale of investments	—	126,881	—	—	126,881
Other investing activities, net	—	1,470	3,059	—	4,529
Net cash used in investing activities	—	(23,331)	(226,048)	—	(249,379)
Cash flows from financing activities:					
Net proceeds (tax withholdings) from issuance of common stock upon exercise of stock options and vesting of restricted stock awards and units	10,135	—	—	—	10,135
Purchases of treasury stock	(11,519)	—	—	—	(11,519)
Excess tax benefits from stock-based compensation	—	1,216	—	—	1,216
Retirement of debt obligations	—	(101,518)	—	—	(101,518)
Payment of debt and capital lease obligations	(1)	(4,571)	(741)	—	(5,313)
Net cash used in financing activities	(1,385)	(104,873)	(741)	—	(106,999)
Decrease in cash and cash equivalents	—	(36,594)	—	—	(36,594)
Cash and cash equivalents at beginning of period	24,543	328,851	—	—	353,394
Cash and cash equivalents at end of period	$ 24,543	$ 292,257	$ —	$ —	$ 316,800

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information regarding the results of operations and financial condition of the Company and should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto. This discussion and analysis also should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2012. References in this item to "we," "our," or "us" are to the Company and its subsidiaries on a consolidated basis unless the context otherwise requires.

In order to assist the reader in understanding certain terms relating to the telecommunications business that are used in this Quarterly Report on Form 10-Q, we refer you to the glossary included following Part III of our Annual Report on Form 10-K for the year ended December 31, 2012.

Cautions Concerning Forward-Looking Statements

This document contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including statements regarding, among other items, our expected financial position, capital expenditures, business trends, fluctuations, revenue mix, and revenue changes, Modified EBITDA and margin trends, the impact of regulatory changes, future tax benefits and expense, expense trends, growth initiatives, future liquidity and capital resources, product plans, share repurchases, debt retirement, future cash balances, growth or stability from particular customer segments, anticipated customer disconnections and customer and revenue churn, market expansion plans, expected network expansion and business and financing plans. These forward-looking statements are based on management's current expectations and are naturally subject to risks, uncertainties, and changes in circumstances, certain of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements.

The words "believe," "plan," "target," "expect," "intend," and "anticipate," and expressions of similar substance identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that those expectations will prove to be correct. Important factors that could cause actual results to differ materially from the expectations described in this report are set forth under "Risk Factors" in Item 1A and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2012 and elsewhere in its subsequent Quarterly Reports on Form 10-Q and in this report. In addition, actual results may differ from our expectations due to, among other things, the timing of disconnections and service installations which may affect the extent to which those factors impact our results in a particular period, an acceleration of customer disconnections, increased competition and pricing pressures, inability to obtain rights to build networks into commercial buildings, economic downturns, which may adversely affect our revenue growth, net income or Modified EBITDA, delays in launching new products that our customers desire, growth initiatives and market expansions that may not result in the intended revenue growth acceleration, delays in connecting new leased fiber to our network, inability of fiber lessors to deliver all fiber contracted for, decreased demand for our products, industry consolidation and other industry conditions, significant increases or decreases in the market prices of our common stock, an ownership change that results in limitations on our use of net operating loss carryforwards ("NOLs") under Section 382 of the Internal Revenue Code, increases in the prices we pay for use of facilities of ILECs, increased costs from healthcare reform and higher taxes or further deregulation of the ILECs or other factors that may adversely affect the cost and availability of ILEC facilities or other facilities that we use to reach certain customer locations, and adverse regulatory rulings or legislative developments. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We are a leading national provider of managed network services, specializing in business Ethernet, data networking, converged, IP VPN, Internet access, voice, including VoIP, and network security services to enterprise organizations, including public sector entities, and carriers throughout the U.S., including their global locations. Our revenue is derived from business communication services, including data, high-speed Internet access, network and voice services. Our customers include enterprise organizations in a wide variety of industry segments including, among others, the financial services, technology and scientific, health care, distribution, manufacturing and professional services industries, data center providers, cloud services providers, public sector entities, system integrators and communications service providers, including ILECs, CLECs, wireless communications companies and cable companies.

Through our subsidiaries, we serve 75 metropolitan markets with local fiber networks that are connected to our regional fiber facilities and national IP backbone. As of September 30, 2013, our fiber network spanned nearly 30,000 route miles (including approximately 23,000 metropolitan route miles) connecting to 19,648 buildings served directly by our local fiber facilities including approximately 460 third party data centers across the country where customers deploy their own equipment or connect to cloud service providers. We continue to extend our fiber footprint within our existing markets by connecting our network into additional locations and to expand our data, voice and IP networking capabilities between our markets, supporting secure end-to-end business Ethernet, IP VPN and converged solutions for customers. Subsequent to September 30, 2013, we announced an accelerated market expansion to increase our metropolitan fiber route miles by nearly 17% into five new markets and 27 existing markets (see further discussion below under "Business Expansion").

Although we analyze revenue by customer type, we present our financial results as one segment across the U.S. because our business is centrally managed.

Business Strategy

Our objective is to be the leading national provider of high quality, business network solutions leveraging our integrated network, operational capabilities, dedicated people, local presence, personalized customer experience and advanced support systems to meet the complex and evolving needs of our customers, and increase stockholder value. The key elements of our business strategy include:

- Focusing our service offerings on meeting our customers' complex and rapidly evolving needs, emphasizing business Ethernet and IP VPN services (which we refer to as strategic services), Internet-based services and converged service offerings and developing our advanced service capabilities, which we refer to as the "Intelligent Network". We launched the initial phase of the Intelligent Network, Enhanced Management, in June 2012 for IP VPN, converged and Ethernet services, and the second phase, Dynamic Capacity, which allows customers to manage or schedule bandwidth, in August 2012, and have added enhancements to those capabilities as described below;
- Enabling enterprise cloud computing and other developing customer information technology ("IT") and business strategies by leveraging our fiber network, data services portfolio, Intelligent Network capabilities and the numerous third party and customer data centers connected to our network;
- Delivering a differentiated customer care strategy by engaging all of our employees and continually incorporating customer feedback and increasing automation to provide the best possible customer service;
- Leveraging our local fiber assets and national IP backbone and integrating and managing other carriers' facilities to enable our customers to connect any of their locations with our network solutions, and using our local presence and local sales, sales engineering, customer support and operational resources, backed by a national organization, to provide personalized service and customized solutions for our customers;
- Enhancing our multi-channel sales strategy through expanding our sales personnel for both our direct and indirect channels;
- Employing a capital allocation strategy that includes investments for near and long term growth in our business, maintenance of a strong balance sheet and returning value to stockholders through share repurchases or other means; and
- Investing in our people to drive the execution of our strategies.

New Services & Enhancements

We launched the following new services and enhancements during the first nine months of 2013:

- Alert-Driven Dynamic Capacity, which enhances our Dynamic Capacity offerings by allowing customers to automatically increase their bandwidth based on pre-set parameters and the capability to increase that bandwidth up to 10 Gigabits;
- Enhanced Management Thresholds and Alerts that provides customers proactive notification of information regarding their networks based on customer-established parameters;
- Advanced Session Initiation Protocol or "SIP" trunking services, a managed solution for customized large enterprise voice applications;
- Distributed Denial of Service security offering that mitigates attacks on customers' Internet service and addresses unwanted traffic and data on their networks;
- Both 40 and 100 Gigabit metro Ethernet service that provides a higher speed, fully managed large capacity service for larger and more complex customer networks and complements our existing 2.5 and 10 Gigabit Ethernet offerings;

- Advanced Technical Support services, which provide customers technical assistance with site readiness and the implementation of new services on the customer's side of our service demarcation;
- Multi-VPN Port, or MVP, which delivers multiple IP VPNs across a single Ethernet interface with speeds up to 10 Gbps, allowing customers to efficiently manage up to 250 IP VPN networks;
- eLynk, a business Ethernet private line solution that enables our customers to connect efficiently and seamlessly to cloud providers through a single network interface for cloud applications; and
- FlexVoice, which enables a customer to select either digital channels or analog lines across an IP access connection enabling several voice applications to be combined over a single access line configured based on the customer's unique requirements.

We expect to launch additional new services in the remainder of 2013, including additions to our managed services portfolio.

Business Expansion

On November 6, 2013, we announced an accelerated market expansion to increase our metropolitan fiber route miles by approximately 17% into five new markets and 27 existing markets. As part of this expansion, we are also increasing our regional fiber footprint for greater capacity, increased network control and more cost effective connectivity. The new markets are Boston, Philadelphia, Chicago, Richmond and Salt Lake City. To facilitate this expansion, we entered into long-term capital leases for fiber that we plan to light with our own electronics. The initial term of the leases is 20 years, with two ten-year renewals at our option, and automatic annual renewals thereafter until termination by either party. We expect to recognize a right-to-use asset and corresponding capital lease obligation of approximately $120 million in the three months ended December 31, 2013 representing the minimum commitment under the leases which are expected to result in aggregate committed lease payments over the initial 20 year lease term of approximately $220 million.

Revenue Trends

Total Revenue

Our revenue has grown sequentially for the past 36 consecutive quarters through September 30, 2013, including throughout the various economic cycles. We expect our future revenue growth to be driven in part by the increasingly web-based economy and developing IT strategies such as cloud computing, collaboration, data center connectivity and disaster recovery, all of which require the reliable connectivity and network capacity that we provide. We also expect that our advanced service capabilities will drive more demand for our existing Ethernet and VPN product suite and enhance our future data services revenue growth. Our national footprint and continuously evolving service capabilities enable us to serve customers with multi-point, multi-city locations. Our annual year-over-year revenue growth rate increased over each of the years ended December 31, 2010, 2011 and 2012 and was 5.1%, 7.4% and 7.6%, respectively. These higher year-over-year revenue growth rates were primarily due to increased demand, low revenue churn and an increase in certain taxes and fees that are reported on a gross versus net basis in revenue and expense. We also believe that our new and enhanced services, our customer experience initiatives to increase customer loyalty and retention and improved economic conditions contributed to our growing revenue.

In 2012, our service installations increased year-over-year at a growth rate lower than our total overall revenue growth rate for 2012. Beginning in the three months ended March 31, 2012, we had lower quarterly year-over-year revenue growth rates, including 6.6% for the three months ended September 30, 2013, compared to 7.1% for the same period in 2012, and expect this trend to continue in the fourth quarter of 2013. We believe that increasing our rate of revenue growth will be dependent on higher sales and service installations to keep pace with the growing total base of revenue, retaining revenue from existing customers and a stronger economy. In 2013, we commenced several initiatives focused on increasing sales to capture growing market demand and share that we expect to contribute to an accelerating growth rate over the long term (see "Modified EBITDA Trends and Growth Initiatives" below).

Revenue for data and Internet, network and the majority of our voice services is generally billed in advance on a monthly fixed-rate basis and recognized over the period the services are provided. Revenue for the majority of intercarrier compensation and certain components of voice services, such as certain components of long distance, is generally billed on a transactional basis in arrears based on a customer's actual usage; therefore, we use estimates to recognize revenue in the period earned. Due to the time required to obtain or build necessary facilities, obtain rights to install equipment in multi-tenant buildings and other factors related to service installation, some of which are not within our control, there is often a lag between the time that a sale, or "booking" *(i.e.*, signed contract) is made, and the time revenue commences. Our installation intervals are generally longer for the more complex solutions delivered to our customers. In some situations, the timing of service installations may be subject to factors that our customers control, such as their readiness for us to install equipment on their premises or the readiness of their equipment. Due to all of these factors, installation intervals may range between two weeks for single-site, less complex services to 6 to 12 months or longer for the more complex solutions.

Enterprise Customer Revenue

Revenue from enterprise customers has increased sequentially for the past 45 consecutive quarters through September 30, 2013 and increased 8.5% for both the three and nine months ended September 30, 2013 as compared to the same periods in 2012, primarily due to increased installations of our data and Internet services such as business Ethernet and VPN and other services. Revenue from our enterprise customers represented 81% and 80% of our total revenue in the three and nine months ended September 30, 2013, respectively. We expect our future revenue growth to come primarily from enterprise customers, including our current customer base, largely due to our advanced network capabilities, expanding services portfolio and market expansion.

Carrier Customer Revenue

Our carrier revenue represented 17% and 18% of our total revenue in the three and nine months ended September 30, 2013, respectively. For the quarter ended September 30, 2013, carrier revenue decreased $0.5 million over the quarter ended September 30, 2012, primarily due to higher revenue churn (see "Revenue and Customer Churn" below) and repricing for other contract renewals in network services, largely offset by growth in Ethernet services.

Carrier revenue has been declining as a percentage of revenue due to the higher contribution from enterprise customer revenue coupled with continued disconnections and repricing of carrier contracts upon renewals somewhat offset by higher installed sales of Ethernet services to carriers to serve their end users' needs. Carrier revenue from wireless providers represented 27% and 28% of total carrier revenue for the three and nine months ended September 30, 2013, respectively. We expect that our expanded service offerings to our wholesale customers will continue to contribute to carrier revenue; however, our carrier revenue historically has been impacted by pricing declines in connection with carrier customer contract renewals, disconnections resulting from price competition from other carriers, network grooming and carrier consolidation that inhibits the growth rate of carrier revenue. We expect these impacts on our carrier revenue to continue and to fluctuate from quarter to quarter.

Intercarrier Compensation Revenue

Intercarrier compensation revenue, which consists of switched access services and reciprocal compensation, represented 2% of our total revenue in each of the three and nine months ended September 30, 2013, and is expected to decline in the future as a percentage of total revenue due to federal and state mandated rate reductions for terminating traffic and changes in the regulatory regime for intercarrier compensation. As required by a 2011 FCC order, we lowered the rates we charge other carriers, and further rate reductions will occur in July of each year through 2018. We expect a reduction of approximately $4.0 million in intercarrier compensation revenue in the year ended December 31, 2013 compared to 2012 as a result of the FCC order. Approximately three-fourths of the reduction has already occurred through the nine months ended September 30, 2013. We also expect that intercarrier compensation revenue will fluctuate based on variations from period to period in minutes of use originating and terminating on our network and fluctuations in carrier settlements.

Revenue and Customer Churn

Revenue churn, defined as the average lost recurring monthly billing for the period from a customer's partial or complete disconnection of services (excluding pricing declines upon contract renewals and lost usage revenue) compared to reported revenue, is a measure used by management to evaluate revenue retention. Customer and service disconnections occur as part of the normal course of business and are primarily associated with price competition from other providers, customers moving facilities to other locations and network grooming, business contractions, financial difficulties and consolidation, among other reasons. After higher churn beginning in late 2007 and continuing through 2009, revenue churn improved in the year ended December 31, 2010 to pre-recession levels of 1.0% of monthly revenue and further improved to 0.9% in each of the years ended December 31, 2011 and 2012 and for the nine months ended September 30, 2013. We believe that this improvement in revenue churn is a result of improved economic conditions as well as our service portfolio, measures we put in place to increase revenue retention and our customer experience initiatives. Revenue churn of 1.0% in the three months ended September 30, 2013 was slightly higher than our recent trend as a result of service disconnections from one large carrier as it groomed its network. As a component of revenue churn, revenue lost from customers fully disconnecting services was 0.2% for the years ended December 31, 2011 and 2012 and for each of the three and nine months ended September 30, 2013. We continue our initiatives to maintain revenue churn that is low relative to our industry, but do not expect contribution to our revenue growth rate from a lower revenue churn rate. If our revenue churn were to increase, our revenue growth would likely be negatively impacted. We cannot predict the total impact on revenue from future customer disconnections or the timing of such disconnections or whether these favorable churn trends will continue.

Customer churn, defined as the average monthly customer turnover for the period compared to the average monthly customer count for the period, was 0.8% and 0.9% for the three and nine months ended September 30, 2013, respectively, compared with 1.1%, 1.0% and 1.0% for the years ended December 31, 2010, 2011 and 2012, respectively. The majority of this churn came from our smaller customers, which we expect will continue.

Pricing

We experience significant price competition from the ILECs, CLECs and cable companies across our service categories that impacts our revenue. We also believe that technology advancements over the years in the telecommunications industry have resulted in lower unit costs for some electronics and equipment that drives customer demand for higher bandwidth at the same or lower prices.

Service agreements in our industry typically range from two to five years, with fixed pricing for the contract term. When contracts are renewed with no changes to the services, pricing is frequently reduced to current market levels as a renewal incentive. The impact of those price reductions on our revenue may fluctuate from quarter to quarter. In addition, during the terms of agreements, customers often purchase additional services or increase or decrease the bandwidth of existing services, subject to applicable early termination charges, depending on their business needs. In some cases, the impact of re-pricing is mitigated by customers' purchase of additional bandwidth or services.

Expenses and Modified EBITDA Trends

Pricing of Special Access Services

We purchase a substantial amount of special access services primarily from ILECs to expand the reach of our network and also provide special access services to customers over our fiber facilities in competition with ILECs. The ILECs have argued before the FCC that the high capacity telecommunications services that they sell, including special access services we buy from them, should no longer be subject to regulations governing price and quality of service. We have advocated that the FCC modify certain of its special access pricing flexibility rules to return these services to price-cap regulation to protect against unreasonable price increases for carriers such as us. The FCC is reviewing its regulation of special access pricing in a pending proceeding commenced in 2005 that has not yet resulted in proposed rules. In 2012, the FCC suspended the operation of the pricing flexibility triggers, which means that ILECs cannot expand the geographic scope of their capability to raise prices, pending further FCC review. We cannot predict when the FCC will act on interstate special access pricing regulation or the impact of any such action.

If the special access services we buy from the ILECs were to be further deregulated, ILECs would have a greater ability to increase the price and reduce the service quality of special access services they sell to us. As the prices we must pay for special access services increase, our margins may be pressured.

In addition, the FCC has granted ILEC requests for forbearance from regulation of certain Ethernet and OC-n high capacity services offered by the ILECs as special access, with the result that prices we would pay for those services are no longer price regulated and could increase. We are advocating reversal of these forbearance requests since a growing portion of the services we buy are Ethernet enabled and not subject to regulation. We also continue to pursue and implement commercial arrangements with the ILECs, other CLECs and cable companies for these services on acceptable terms and conditions.

In October 2013, AT&T gave notice of its intent to effectively increase its pricing for Time Division Multiplexed ("TDM") special access circuits by eliminating five and seven year term and volume plans that previously provided more favorable pricing than the three year plans that would still be available. We and certain other carriers impacted by this pricing increase are attempting to block this increase through advocacy efforts with the FCC. If the pricing increase becomes effective as proposed it could negatively affect our margins in the future as currently effective pricing plans expire.

We have expanded our reach by implementing commercial arrangements and connections with the ILECs and cable companies for the provision of Ethernet services to deliver certain of our advanced services to end users in areas not directly served by our fiber networks. We also have commercial arrangements with carriers to provide access to our customers' locations in areas outside of our 75 markets. With growing demand for multi-location customer solutions, both within and outside our markets, we are provisioning services to more locations resulting in higher access costs.

Bad Debt Expense Trends

Due to the quality of our customer base, successful collection efforts, internal controls, bad debt recoveries and our revenue recognition policies, including recognition of contract termination charges upon cash receipt, our bad debt expense was less than 1% of our total revenue in each of the three and nine months ended September 30, 2013, comparable to the years

ended December 31, 2012, 2011 and 2010. While we have historically been able to maintain low bad debt expense, we cannot assure that we will be able to maintain bad debt expense at this low level.

Modified EBITDA Trends and Growth Initiatives

We have implemented initiatives designed to expand our revenue growth, margins and cash flow that require both capital and operating investments. During the three years ended December 31, 2012, these operating investments included expansion of our sales and sales support staff as well as IT and technical personnel and contract labor to support our growing customer base and new service and technology investments to provide future capabilities that differentiate our services from the competition. Our capital spending investments during these periods consisted of incremental expenditures linked to increased sales, new service portfolio enhancements, including our expanded Ethernet service portfolio and our Intelligent Network capabilities, strategic market expansion through fiber purchases to extend our network reach and corporate and IT initiatives that support the evolution of our services, enable our customer experience and drive increased scale and efficiency. We believe that these initiatives resulted in expansion of our revenue growth, margins and cash flows during the three years ended December 31, 2012.

Modified EBITDA (see Note 2 to the table under "Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012--Operating Income and Net Income (Loss)" for a definition of Modified EBITDA) grew 6.2%, 7.4% and 8.6% in the years ended December 31, 2010, 2011 and 2012, respectively, each compared to the prior year, and further grew 1.4% and 2.4% in the three and nine months ended September 30, 2013, respectively, compared to the same period last year. Modified EBITDA margin was 36.4%, 36.4% and 36.8% for the years ended December 31, 2010, 2011 and 2012, respectively. These margins reflected the absorption of increased costs for network access due to higher prices and greater reach and costs associated with further expansion of our sales and support staff and IT and technical personnel and were impacted by the dilutive effect of certain taxes and fees that are reported on a gross versus net basis in revenue and expense (see "Revenue" in Note 1 to the condensed consolidated financial statements).

The initiatives that we are implementing in 2013 are expected to reverse the recent trend of lower quarterly year-over-year revenue growth rates over the longer term and include further increasing investments in our sales and support staff to expand our market penetration. We believe that increasing our sales and support staff to leverage our service offerings and support our increasingly complex solutions will enable us to attract new customers, sell more services to existing customers and retain customers. We are also making capital investments in support of our growth initiatives including new service development, automation and strategic network expansions to reach more customers. In connection with our recently announced business expansion (see "Business Expansion" above), in 2014 we plan to add additional sales, support and other operational personnel to support this plan.

In the three and nine months ended September 30, 2013, our Modified EBITDA margin was 35.2% and 35.4%, respectively, and was impacted by costs associated with our growth initiatives, which resulted in the majority of the decline in Modified EBITDA margin for this period as compared to the same period last year. We expect that the higher investments and expense associated with the growth initiatives and market expansion discussed above will continue to pressure our Modified EBITDA margin and cash flow in the near term until we can achieve higher service installations and an expansion in our rate of revenue growth that we expect will absorb these higher costs. While these initiatives and market expansion are designed to increase sales in the longer term to enable us to accelerate our future revenue growth rate, we cannot assure that these and other initiatives will be sufficient to achieve our objectives of increased revenue growth, margins and cash flow or the timing of such anticipated benefits.

We believe that future margin expansion will come from higher service installations, further leveraging our on-network facilities and increasing the network density of our less mature markets, since over the long term we have generally experienced margin improvement and increased cash flow from our less dense markets as those markets are expanded through on-net building additions and other network expansions. Our continued cost efficiency efforts are also intended to contribute to our overall margins. We believe that our recently announced expansions within our existing markets give us an opportunity to accelerate the increase of network density in many of our current markets which, if successful, we expect to lead to margin improvement and stronger cash flow generation over time.

The expected reductions in intercarrier compensation revenue discussed above under "Revenue Trends" are also expected to pressure our margins because of the relatively high margins associated with that revenue. Our revenue and margins may also be impacted by, among other risks, economic fluctuations, competitive pressures, higher special access costs including from growth in multi-location customer solutions driven by demand, fuel and energy costs, fluctuations in certain taxes and fees and any future inflationary pressures.

Seasonality and Fluctuations

We continue to expect business fluctuations to impact sequential quarterly trends in revenue, margins and cash flow. This includes the timing, as well as any seasonality, of sales and service installations, usage, rate changes, disputes, settlements, repricing for contract renewals and fluctuations in revenue churn, especially from carrier customers, expenses, capital expenditures and certain taxes and fees. Historically, our expense in the first quarter has been impacted by the resetting of payroll taxes in the new year. Our past experience with quarterly fluctuations may not necessarily be indicative of future results.

Because we generally do not recognize revenue subject to billing disputes until the dispute is resolved, the timing of dispute resolutions and settlements may positively or negatively affect our revenue in a particular quarter. The timing of disconnections may also impact our results in a particular quarter, with disconnections early in the quarter generally having a greater impact. The timing of capital and other expenditures may affect our margins or cash flow. The convergence of any of these or other factors such as fluctuations in usage, increases or decreases in certain taxes and fees or pricing declines upon contract renewals in a particular quarter may result in our revenue growing more or less than previous trends, may impact our margins and other financial results.

Critical Accounting Policies and Estimates

For a description of our critical accounting policies and estimates, see Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2012, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Results of Operations

The following discussion provides analysis of our results of operations and should be read together with our unaudited interim condensed consolidated financial statements, including the notes thereto, appearing elsewhere in this report:

Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012

Revenue

Revenue by line of business was as follows (amounts in thousands):

	Three Months Ended September 30,			
	2013	2012	$ Change	% Change
Revenue [1]:				
Data and Internet services	$ 215,876	$ 189,164	$ 26,712	14.1 %
Voice services	93,913	91,052	2,861	3.1 %
Network services	76,100	81,261	(5,161)	(6.4)%
Intercarrier compensation	7,301	7,457	(156)	(2.1)%
Total revenue	$ 393,190	$ 368,934	$ 24,256	6.6 %

[1] We classify certain taxes and fees billed to customers and remitted to government authorities on a gross versus net basis in revenue and expense. The total amounts classified as revenue, primarily included in voice services, associated with such taxes and fees were approximately $20.5 million and $19.3 million for the three months ended September 30, 2013 and 2012, respectively. This has no impact on Modified EBITDA or net income but is dilutive to Modified EBITDA margin.

The primary driver of total revenue growth was increased data and Internet services revenue from installed services to enterprise customers. The increase in data and Internet services revenue primarily resulted from installations of strategic Ethernet and VPN-based services and other services to enterprise customers, partially offset by revenue churn and re-pricing of renewed customer contracts at lower rates. Strategic services, which includes Ethernet and IP VPN services, comprised 55.5% of data and Internet services revenue for the three months ended September 30, 2013 compared to 53.6% for the three months ended September 30, 2012, representing 18.4% period over period growth in revenue from these services.

Voice services revenue increased primarily as a result of installations of converged and other voice services and growth in certain taxes and fees remitted to government authorities that we classify on a gross versus net basis in revenue and expense, partially offset by revenue churn. Revenue based on the minutes of service used by customers included in voice services was 3% of our total revenue for both the three months ended September 30, 2013 and 2012.

Network services revenue decreased primarily due to revenue churn including service disconnections from one large carrier and re-pricing of renewed customer contracts at lower rates, somewhat offset by growth in high capacity and collocation services.

Intercarrier compensation revenue decreased primarily as a result of the impact of an FCC-mandated rate reduction in July 2013, which was somewhat offset by an increase in minutes of use originating and terminating on our network.

Costs and Expenses

The major components of costs and expenses were as follows (amounts in thousands):

	Three Months Ended September 30,			
	2013	2012	$ Change	% Change
Costs and expenses:				
Operating (exclusive of depreciation, amortization and accretion shown separately below) [1]	$ 164,254	$ 156,195	$ 8,059	5.2%
Operating expenses as percentage of total revenue	41.8%	42.3%		
Selling, general and administrative [1]	103,438	83,341	20,097	24.1%
Selling, general and administrative expenses as percentage of total revenue	26.3%	22.6%		
Depreciation, amortization and accretion	78,566	70,726	7,840	11.1%
Total costs and expenses	$ 346,258	$ 310,262	$ 35,996	11.6%
[1] Includes the following non-cash stock-based employee compensation expense:				
Operating	$ 528	$ 473	$ 55	11.6%
Selling, general and administrative	$ 12,475	$ 6,667	$ 5,808	87.1%

Operating Expenses. Our operating expenses consist of costs directly related to the operation and maintenance of our network and the provisioning of our services. These costs, which are net of capitalized labor and overhead costs on capital projects, include the salaries and related expenses of customer care, provisioning, network maintenance, technical field and network operations and engineering personnel, costs to repair and maintain our network, and costs paid to other carriers for access to their facilities, interconnection, and facilities leased and associated utilities. We carry a significant portion of our traffic on our own fiber infrastructure, which enhances our ability to minimize and control access costs, which are the costs to purchase network services from other carriers. The increase in operating expenses primarily related to higher network access costs largely as a result of revenue growth, and an increase in employees and related costs, net of capitalized expenses, and network maintenance costs associated both with revenue growth and our growth initiatives (as discussed under "Modified EBITDA Trends and Growth Initiatives"), partially offset by franchise fee settlements.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist of salaries and related costs for employees and other expenses related to sales and marketing, bad debt, IT, billing, regulatory, administrative and legal functions. The increase in these expenses primarily related to higher employee-related costs resulting from incentive-based compensation due to expansion of our indirect sales channel, expansion of our sales and sales support personnel associated both with revenue growth and our growth initiatives, non-cash stock-based compensation expense and annual merit-based salary increases and an increase in administrative expenses. For the three months ended September 30, 2013, selling, general and administrative expense included compensation expense of $5.3 million associated with executive retirement, of which $4.3 million is non-cash stock-based compensation expense resulting from accelerated vesting of outstanding equity awards.

Depreciation, Amortization and Accretion Expense. The increase in depreciation, amortization and accretion expense was attributable to property, plant and equipment additions during 2012 and 2013 net of the impact of fully depreciated assets.

Operating Income and Net Income (Loss)

The following table provides the components from operating income to net income (loss) for purposes of the discussions that follow (amounts in thousands, except per share amounts):

	Three Months Ended September 30,			
	2013	2012	$ Change	% Change
Operating income	$ 46,932	$ 58,672	$ (11,740)	(20.0)%
Interest expense	(21,525)	(21,825)	(300)	(1.4)%
Debt extinguishment costs	(38,915)	(77)	38,838	NM
Interest income	98	84	14	16.7 %
Income (loss) before income taxes	(13,410)	36,854	(50,264)	(136.4)%
Income tax expense (benefit)	(3,976)	15,885	(19,861)	(125.0)%
Net income (loss)	$ (9,434)	$ 20,969	$ (30,403)	(145.0)%
Basic income (loss) per common share	$ (0.07)	$ 0.14	(0.21)	(150.0)%
Diluted income (loss) per common share	$ (0.07)	$ 0.14	(0.21)	(150.0)%
Modified EBITDA [(1)(2)]	$ 138,501	$ 136,538	$ 1,963	1.4 %
Modified EBITDA margin [(1)(2)(3)]	35.2%	37.0%		

NM - Not meaningful

(1) See Note 1 under "Revenue" above.

(2) "Modified EBITDA" is a non-GAAP financial measure and is defined by us as net income (loss) before depreciation, amortization and accretion expense, interest expense, interest income, debt extinguishment costs, other income (loss), impairment charges, income tax expense (benefit), cumulative effect of change in accounting principle, and non-cash stock-based employee compensation expense. Not all of the aforementioned items occur in each reporting period, but have been included in the definition based on historical activity. Modified EBITDA is not intended to replace operating income (loss), net income (loss), cash flow and other measures of financial performance and liquidity reported in accordance with accounting principles generally accepted in the United States. Rather, Modified EBITDA is a measure of operating performance and liquidity that investors may consider in addition to such measures. Our management believes that Modified EBITDA is a standard measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors, and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization, and tax structures, as well as non-cash and non-operating charges to earnings. We believe that Modified EBITDA trends are a valuable indicator of whether our operations are able to produce sufficient operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. We currently use Modified EBITDA for these purposes. Modified EBITDA also is used internally by our management to assess ongoing operations and is a measure used to test compliance with certain covenants of our senior notes, our Revolver and our Term Loan. The definition of EBITDA under our Revolver, our Term Loan and our senior notes differs, but not materially, from the definition of Modified EBITDA used in this table. Modified EBITDA as used in this document may not be comparable to similarly titled measures reported by other companies due to differences in accounting and disclosure policies. The reconciliation between Modified EBITDA and net income (loss), which is the most comparable GAAP measure for operating performance, is as follows (amounts in thousands):

	Three Months Ended September 30,	
	2013	2012
Net income (loss)	(9,434)	20,969
Income tax expense (benefit)	(3,976)	15,885
Interest income	(98)	(84)
Interest expense	21,525	21,825
Debt extinguishment costs	38,915	77
Depreciation, amortization and accretion	78,566	70,726
Non-cash stock-based compensation	13,003	7,140
Modified EBITDA	$ 138,501	$ 136,538

The reconciliation between Modified EBITDA and net cash provided by operations, which is the most comparable GAAP measure for liquidity, is as follows (amounts in thousands):

	Three Months Ended September 30,	
	2013	2012
Net cash provided by operations	123,906	111,185
Income tax expense (benefit)	(3,976)	15,885
Deferred income taxes	4,186	(15,329)
Interest income	(98)	(84)
Interest expense	21,525	21,825
Discount on debt, amortization of deferred debt issue costs and other	(1,257)	(6,330)
Changes in operating assets and liabilities	(5,785)	9,386
Modified EBITDA	$ 138,501	$ 136,538

(3) Modified EBITDA margin represents Modified EBITDA as a percentage of revenue.

Interest Expense. Interest expense was largely unchanged. Decreases in interest expense related to the discount on the Convertible Debentures becoming fully accreted in the first quarter of 2013, retirement of the Convertible Debentures, the repurchase of $406.5 million principal amount of the 2018 Notes (the "2018 Notes Tender") and the impact of the rate decrease on the Term Loan in connection with the 2013 refinancing were offset by interest attributable to the 2022 Notes issued in October 2012 and the 2022 Mirror Notes and 2023 Notes issued in August 2013. We expect our annual interest expense for 2014 to be approximately $95 million (based on the interest rate in effect as of September 30, 2013 and long-term debt as of such date) as a result of the August 2013 issuance of the 2022 Mirror Notes and 2023 Notes, net of the impact of the Amendment and Restatement of our Term Loan and the retirement of the Convertible Debentures and 2018 Notes (see "Liquidity and Capital Resources"). Subsequent to September 30, 2013, we entered into capital lease agreements (see "Business Expansion" above), which we expect will result in approximately $7 million in additional interest expense in 2014.

Debt Extinguishment Costs. Debt extinguishment costs for the three months ended September 30, 2013 resulted from the 2018 Notes Tender and consisted of cash paid for call premiums and fees of $32.2 million and non-cash write-offs of unamortized deferred debt issuance costs and issuance discount of $5.1 million and $1.6 million, respectively. The costs for the same period in 2012 represented the non-cash write-off of deferred debt issuance costs related to the extinguishment of the Term Loan B due January 2013.

Income (Loss) before Income Taxes. The decrease in income before income taxes resulted primarily from debt extinguishment costs incurred in connection with the 2018 Notes Tender, higher depreciation, amortization and accretion expense and non-cash stock-based compensation expense, partially offset by higher Modified EBITDA as discussed below.

Income Tax Expense (Benefit). The decrease in income tax expense resulted from lower income before income taxes as well as a decrease in our effective tax rate as a result of the loss before income taxes largely due to debt extinguishment costs incurred in connection with the 2018 Notes Tender. Our effective tax rate in the year ended December 31, 2012 was 43%. We expect our effective tax rate for the year ended December 31, 2013 to be in the high forties as a result of lower income before income taxes in connection with the 2018 Notes Tender.

Net Income (Loss) and Modified EBITDA. The net loss in the three months ended September 30, 2013 resulted from a decrease in income before income taxes, partially offset by lower income tax expense, as discussed above. Included in the net loss (after giving effect to income tax expense) were $0.19 per share of cash and non-cash debt extinguishment costs and compensation expense associated with executive retirement. The increase in Modified EBITDA was primarily the result of revenue growth that was largely offset by costs associated both with revenue growth and our growth initiatives, including increased network maintenance costs and employee-related expenses. The majority of the decline in Modified EBITDA margin in the three months ended September 30, 2013 compared to the same period in the prior year is attributable to employee and other costs associated with our growth initiatives with the remainder the result of higher access costs from growth in demand for multi-location customer solutions, both within and outside of our markets. We would expect margin expansion driven by cost efficiencies once growth in revenue absorbs the increased costs associated with the growth initiatives. For the three months ended September 30, 2013 and 2012, Modified EBITDA, together with cash, cash equivalents and investments, has been sufficient to cover our capital expenditures and service our debt, and we expect to generate sufficient Modified EBITDA in the foreseeable future to cover our expected capital expenditures and debt service requirements, together with cash,

cash equivalents and investments, and borrowing capacity under our existing Revolver. See Note 2 to the table under "Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012--Operating Income and Net Income (Loss)" for a definition of Modified EBITDA and reconciliations of Modified EBITDA to net income (loss), which is the most comparable GAAP measure for operating performance, and Modified EBITDA to net cash provided by operations, which is the most comparable GAAP measure for liquidity.

Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012

Revenue

Revenue by line of business was as follows (amounts in thousands):

	Nine Months Ended September 30,			
	2013	2012	$ Change	% Change
Revenue [1]:				
Data and Internet services	$ 627,592	$ 548,495	$ 79,097	14.4 %
Voice services	279,348	271,681	7,667	2.8 %
Network services	233,450	249,074	(15,624)	(6.3)%
Intercarrier compensation	23,492	23,112	380	1.6 %
Total revenue	$ 1,163,882	$ 1,092,362	$ 71,520	6.5 %

[1] We classify certain taxes and fees billed to customers and remitted to government authorities on a gross versus net basis in revenue and expense. The total amounts classified as revenue, primarily included in voice services, associated with such taxes and fees were approximately $61.7 million and $58.8 million for the nine months ended September 30, 2013 and 2012, respectively. This has no impact on Modified EBITDA or net income but is dilutive to Modified EBITDA margin.

The primary driver of total revenue growth was increased data and Internet services revenue from installed services to enterprise customers. The increase in data and Internet services revenue primarily resulted from installations of strategic Ethernet and VPN-based services and other services to enterprise customers, partially offset by revenue churn and re-pricing of renewed customer contracts at lower rates. Strategic services, which includes Ethernet and IP VPN services, represented 55.0% of data and Internet services revenue for the nine months ended September 30, 2013 compared to 52.9% for the nine months ended September 30, 2012, representing 19.0% period over period growth in revenue from these services.

Voice services revenue increased primarily as a result of installations of converged and other voice services and certain taxes and fees remitted to government authorities that we classify on a gross versus net basis in revenue and expense, partially offset by revenue churn and re-pricing of renewed customer contracts at lower rates. Revenue based on the minutes of service used by customers included in voice services was 3% of our total revenue for both the nine months ended September 30, 2013 and 2012.

Network services revenue decreased primarily due to revenue churn and re-pricing of renewed customer contracts at lower rates, somewhat offset by growth in high capacity and collocation services.

Intercarrier compensation revenue grew slightly, primarily as a result of dispute settlements and an increase in minutes of use originating and terminating on our network that offset the impact of the FCC-mandated rate reductions in July 2012 and 2013.

Costs and Expenses

The major components of costs and expenses were as follows (amounts in thousands):

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012	$ Change	% Change
Costs and expenses:				
Operating (exclusive of depreciation, amortization and accretion shown separately below) [1]	$ 489,467	$ 458,374	$ 31,093	6.8%
Operating expenses as percentage of total revenue	42.1%	42.0%		
Selling, general and administrative [1]	293,438	254,011	39,427	15.5%
Selling, general and administrative expenses as percentage of total revenue	25.2%	23.3%		
Depreciation, amortization and accretion	228,613	209,589	19,024	9.1%
Total costs and expenses	$ 1,011,518	$ 921,974	$ 89,544	9.7%
[1] Includes the following non-cash stock-based employee compensation expense:				
Operating	$ 1,656	$ 1,428	$ 228	16.0%
Selling, general and administrative	$ 29,223	$ 20,889	$ 8,334	39.9%

Operating Expenses. The increase in operating expenses largely related to higher network access costs primarily as a result of revenue growth, higher network maintenance and an increase in employees and related costs associated both with revenue growth and our growth initiatives and an increase in certain taxes and fees remitted to government authorities that we classify on a gross versus net basis in revenue and expense.

Selling, General and Administrative Expenses. The increase in these expenses primarily related to higher employee costs resulting from incentive-based compensation due to expansion of our indirect sales channel and increased customer installations of service, expansion of our sales and sales support personnel and IT personnel associated both with revenue growth and our growth initiatives, higher non-cash stock-based compensation expense, annual merit-based salary increases and other administrative costs. For the nine months ended September 30, 2013, selling, general and administrative expense included compensation expense of $5.3 million associated with executive retirement, of which $4.3 million is non-cash stock-based compensation expense resulting from accelerated vesting of outstanding equity awards.

Depreciation, Amortization and Accretion Expense. The increase in depreciation, amortization and accretion expense was attributable to property, plant and equipment additions during 2012 and 2013 net of the impact of fully depreciated assets.

Operating Income and Net Income

The following table provides the components from operating income to net income for purposes of the discussions that follow (amounts in thousands, except per share amounts):

	Nine Months Ended September 30,			
	2013	2012	$ Change	% Change
Operating income	$ 152,364	$ 170,388	$ (18,024)	(10.6)%
Interest expense	(71,409)	(65,266)	6,143	9.4 %
Debt extinguishment costs	(39,314)	(77)	39,237	NM
Interest income	548	281	267	95.0 %
Income before income taxes	42,189	105,326	(63,137)	(59.9)%
Income tax expense	21,132	45,706	(24,574)	(53.8)%
Net income	$ 21,057	$ 59,620	$ (38,563)	(64.7)%
Basic income per common share	$ 0.14	$ 0.40	(0.26)	(65.0)%
Diluted income per common share	$ 0.14	$ 0.39	(0.25)	(64.1)%
Modified EBITDA (1)(2)	$ 411,856	$ 402,294	$ 9,562	2.4 %
Modified EBITDA margin (1)(2)(3)	35.4%	36.8%		

NM - Not meaningful

(1) See Note 1 under "Revenue" above.

(2) See Note 2 above under "Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012--Operating Income and Net Income (Loss)" for a definition of Modified EBITDA. The reconciliation between Modified EBITDA and net income, which is the most comparable GAAP measure for operating performance, is as follows (amounts in thousands):

	Nine Months Ended September 30,	
	2013	2012
Net income	$ 21,057	$ 59,620
Income tax expense	21,132	45,706
Interest income	(548)	(281)
Interest expense	71,409	65,266
Debt extinguishment costs	39,314	77
Depreciation, amortization and accretion	228,613	209,589
Non-cash stock-based compensation	30,879	22,317
Modified EBITDA	$ 411,856	$ 402,294

The reconciliation between Modified EBITDA and net cash provided by operations, which is the most comparable GAAP measure for liquidity, is as follows (amounts in thousands):

	Nine Months Ended September 30,	
	2013	2012
Net cash provided by operations	330,466	319,784
Income tax expense	21,132	45,706
Deferred income taxes	(20,103)	(44,306)
Interest income	(548)	(281)
Interest expense	71,409	65,266
Discount on debt, amortization of deferred debt issue costs and other	(9,107)	(18,697)
Changes in operating assets and liabilities	18,607	34,822
Modified EBITDA	$ 411,856	$ 402,294

(3) Modified EBITDA margin represents Modified EBITDA as a percentage of revenue.

Interest Expense. The increase in interest expense primarily related to the issuance of the 2022 Notes in October 2012 and the issuance of the 2022 Mirror Notes and 2023 Notes in August 2013, partially offset by the discount on the Convertible Debentures becoming fully accreted in the first quarter of 2013, retirement of the Convertible Debentures, the 2018 Notes Tender, a lower average balance on the Term Loan and the impact of the rate decrease on the Term Loan in connection with the 2013 refinancing.

Debt Extinguishment Costs. Debt extinguishment costs for the nine months ended September 30, 2013 resulted primarily from the 2018 Notes Tender, consisting of cash paid for call premiums and fees of $32.2 million, non-cash write-offs of unamortized deferred debt issuance costs and issuance discounts of $5.1 million and $1.6 million respectively, as well as transaction costs paid on repurchases of our Convertible Debentures. The costs for the same period in 2012 represent the non-cash write-off of deferred debt issuance costs related to the extinguishment of the Term Loan B due January 2013.

Income before Income Taxes. The decrease in income before income taxes resulted primarily from debt extinguishment costs incurred in connection with the 2018 Notes Tender, higher depreciation, amortization and accretion expense, interest expense and non-cash stock-based compensation expense, partially offset by higher Modified EBITDA as discussed below.

Income Tax Expense. The decrease in income tax expense resulted from lower income before income taxes, partially offset by discrete items related to stock-based compensation. Our effective tax rate in the year ended December 31, 2012 was 43%. We expect our effective tax rate for the year ended December 31, 2013 to be in the high forties primarily as a result of lower income before income taxes in connection with the 2018 Notes Tender.

Net Income and Modified EBITDA. The decrease in net income resulted from a decrease in income before income taxes, partially offset by lower income tax expense, as discussed above. Included in net income (after giving effect to income tax expense) were $0.18 per share of cash and non-cash debt extinguishment costs and compensation expense associated with executive retirement. The increase in Modified EBITDA was primarily the result of revenue growth that was somewhat offset by costs associated with both revenue growth and our growth initiatives as discussed above. The majority of the decline in Modified EBITDA margin in the nine months ended September 30, 2013 compared to the same period in the prior year is attributable to employee and other costs associated with our growth initiatives with the remainder the result of higher access costs from growth in demand for multi-location customer solutions, both within and outside of our markets. We would expect margin expansion driven by cost efficiencies once growth in revenue absorbs the increased costs. For the nine months ended September 30, 2013 and 2012, Modified EBITDA, together with cash, cash equivalents and investments, has been sufficient to cover our capital expenditures and service our debt. See Note 2 to the table under "Three Months Ended September 30, 2013 Compared to Three Months Ended September 30, 2012--Operating Income and Net Income (Loss)" for a definition of Modified EBITDA. See Note 2 to the table under "Nine Months Ended September 30, 2013 Compared to Nine Months Ended September 30, 2012--Operating Income and Net Income" for reconciliations of Modified EBITDA to net income, which is the most comparable GAAP measure for operating performance, and Modified EBITDA to net cash provided by operations, which is the most comparable GAAP measure for liquidity.

Liquidity and Capital Resources

Historically, we have generated cash flow from operations consisting primarily of payments received from customers for the provision of business network solutions offset by payments to other telecommunications carriers, payments to employees, and payments for interest and other operating, selling, general and administrative expenses. We have also generated cash from debt and equity financing activities and have used these funds and cash flows from operations to service or repay our debt obligations, make capital expenditures to expand our network, repurchase our common stock and fund acquisitions.

On July 3, 2013, we completed the redemption of the Convertible Debentures, resulting in a total use of cash for the nine months ended September 30, 2013 of $553.2 million, including $0.5 million of transaction costs, to settle $373.7 million principal amount of the Convertible Debentures. Additionally, we used $306.0 million of cash as of September 30, 2013 to repurchase our common stock under the $300 million repurchase program that our Board of Directors authorized in November 2011, which was completed as of August 6, 2013, and under the new $500 million multi-year common stock repurchase program that our Board of Directors authorized on August 6, 2013 (see "Possible Future Uses of Cash" below). On August 26, 2013, we completed a private offering of $800 million of Senior Notes (see "Cash Flow Activity-- Financing" below). The net proceeds from these offerings were used to fund the 2018 Notes Tender for $438.7 million, including $32.2 million in tender premium and fees, and for general corporate purposes.

At September 30, 2013, we had approximately $1.8 billion of total debt and capital lease obligations and $569.5 million of cash, cash equivalents and short-term investments compared to approximately $1.8 billion of total debt and capital lease obligations and $974.3 million of cash, cash equivalents and short-term investments at December 31, 2012. Net debt (defined as total debt and capital lease obligations less cash, cash equivalents and short-term investments) increased $476.3 million from December 31, 2012 to September 30, 2013 primarily due to repurchases of our common stock, capital expenditures, reacquisition of the equity component of the Convertible Debentures upon retirement, issuance of the 2022 Mirror Notes and 2023 Notes, the 2018 Notes Tender, the net impact of the Term Loan refinancing and capital lease additions, partially offset by cash provided by operating activities resulting from higher Modified EBITDA and net proceeds from employee stock option exercises.

Working capital, defined as current assets less current liabilities, was $473.1 million as of September 30, 2013, a decrease of $33.0 million from December 31, 2012. The decrease in working capital is primarily a result of the 2018 Notes Tender, repurchases of our common stock, capital spending and the reacquisition of the equity component of the Convertible Debentures upon retirement, somewhat offset by net proceeds from the issuance of the 2022 Mirror Notes and 2023 Notes, cash provided by operations, net proceeds from the Term Loan refinancing and net proceeds from employee stock option exercises. Our working capital ratio, defined as current assets divided by current liabilities, was 2.57 as of September 30, 2013 compared to 1.76 as of December 31, 2012.

Cash Flow Activity

Cash and cash equivalents were $411.3 million and $316.8 million as of September 30, 2013 and 2012, respectively. In addition, we had investments of $158.2 million and $142.6 million as of September 30, 2013 and 2012, respectively, which were short-term in nature and generally available to fund our operations. The change in cash and cash equivalents during the periods presented was as follows:

	Nine Months Ended September 30,	
	2013	2012
	(amounts in thousands)	
Cash provided by operating activities	$ 330,466	$ 319,784
Cash used in investing activities	(279,532)	(249,379)
Cash used in financing activities	(446,325)	(106,999)
Decrease in cash and cash equivalents	$ (395,391)	$ (36,594)

Operations. The increase in cash provided by operating activities in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 primarily resulted from higher Modified EBITDA and timing of interest payments, somewhat offset by changes in working capital, which were largely due to the timing of payments to vendors and collection of receivables.

Investing. The change in cash used in investing activities in the nine months ended September 30, 2013 compared to the nine months ended September 30, 2012 was primarily a result of higher capital expenditures in 2013, somewhat offset by the net decrease in cash used for the purchase and sale of investments in 2013. Our balances of cash, cash equivalents and investments fluctuate over time based on our cash requirements and market interest yields. Cash used for capital expenditures for the nine months ended September 30, 2013 was $285.1 million, the majority of which was for success-based spending (see "Capital Expenditures and Requirements" below) compared to $241.0 million for the nine months ended September 30, 2012.

Financing. Cash used in financing activities for the nine months ended September 30, 2013 primarily consisted of repurchases and settlements of conversions of Convertible Debentures of $553.2 million, $438.7 million for the 2018 Notes Tender (including $32.2 million of tender premium and fees), repurchases of $306.0 million of our common stock, withholding taxes paid by us on behalf of employees in net share settlements of restricted stock of $20.8 million and payments of $3.8 million on the Term Loan and capital lease obligations, partially offset by net proceeds of $766.2 million from the issuance of the 2022 Mirror Notes and the 2023 Notes, proceeds of $59.7 million from exercises of stock options and net proceeds of $49.7 million from the Term Loan refinancing. Cash used in financing activities for the nine months ended September 30, 2012 primarily consisted of the $101.5 million prepayment of the 2013 tranche of the Term Loan, repurchases of $11.5 million of our common stock, withholding taxes paid by us on behalf of employees in net share settlements of restricted stock of $10.0 million and payments of $5.3 million on the Term Loan and capital lease obligations, partially offset by proceeds of $20.1 million from exercises of stock options.

In April 2013, we refinanced our outstanding $461.8 million Term Loan due December 2016 and replaced an undrawn $80 million revolving credit facility expiring December 2014 with a new senior secured credit facility consisting of a $520 million Term Loan due April 2020 and an undrawn $100 million Revolver expiring April 2018. Interest and payments on the Term Loan and Revolver, if drawn, are as follows:

- Repayments of the Term Loan are due quarterly in an amount equal to 1/4 of 1% of the aggregate principal amount on the last day of each quarter commencing September 30, 2013. Interest on the Term Loan is computed based on a specified Eurodollar rate plus 2.5%. Interest is reset periodically and payable at least quarterly. Based on the Eurodollar rate in effect at September 30, 2013, the effective interest rate was 2.68%.

- Interest on outstanding amounts under the Revolver, if any, will be computed based on a specified Eurodollar rate plus 1.75%-2.75% and will be reset periodically and payable quarterly. The Company is required to pay a commitment fee on the undrawn commitment amounts on a quarterly basis of 0.375%-0.5% per annum. The new senior secured credit facility contains customary affirmative and negative covenants. Most of the Revolver covenants apply whether or not we draw on that facility. In addition, if the Revolver were drawn, certain financial maintenance covenants would apply.

During the nine months ended September 30, 2013, we cash settled the $373.7 million outstanding principal amount of Convertible Debentures as of December 31, 2012 for $552.7 million as a result of our repurchases and conversions by holders of the Convertible Debentures. We also used $0.5 million in cash for transaction costs associated with the retirement of the Convertible Debentures.

In August 2013, we completed a private offering of $800 million of Senior Notes, including the 2022 Mirror Notes at an offering price of 96.250% of the principal amount and the 2023 Notes at an offering price of 100% of the principal amount. The net proceeds from the offering were used to fund the repurchase of $406.5 million principal amount of the 2018 Notes for $438.7 million and for general corporate purposes. Approximately $23.5 million principal amount of the 2018 Notes remained outstanding as of September 30, 2013. For a description of the significant terms of the 2022 Mirror Notes and 2023 Notes, see Note 4 to the condensed consolidated financial statements.

As of September 30, 2013 we had the following indebtedness outstanding or available:

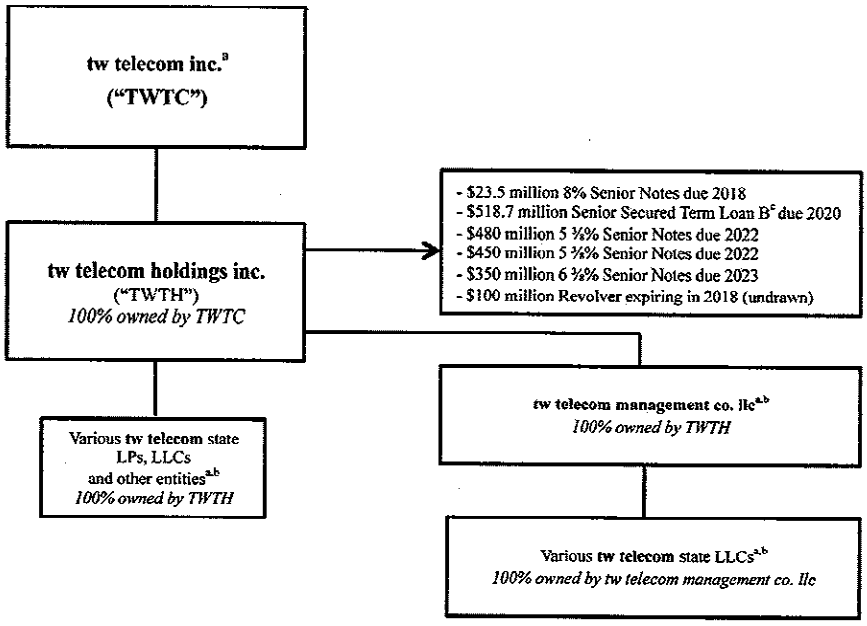
Instrument	Principal Amount Outstanding	Aggregate Annual Estimated Interest Payments
	(amounts in thousands)	
8% Senior Notes due 2018	$ 23,479	$ 1,878
Term Loan, Eurodollar rate + 2.5% due 2020 [1]	518,700	13,901
$5\,^{3}/_{8}$% Senior Notes due 2022 issued October 2012	480,000	25,800
$5\,^{3}/_{8}$% Senior Notes due 2022 issued August 2013	450,000	24,188
$6\,^{3}/_{8}$% Senior Notes due 2023	350,000	22,313
Undrawn $100 million Revolver expires 2018 [2]	—	—

(1) The aggregate annual estimated interest payments are based on the principal amount outstanding and the effective interest rate of 2.68% at September 30, 2013.

(2) Interest on outstanding amounts, if any, will be computed on a specified Eurodollar rate plus 1.75%-2.75% and will be reset periodically. We are required to pay a commitment fee on the undrawn commitment amounts on a quarterly basis of 0.375%-0.5% per annum.

The following diagram summarizes our corporate structure in relation to our outstanding indebtedness and credit facility, including our undrawn revolver, as of September 30, 2013. The diagram does not depict all aspects of the ownership structure among the operating and holding entities, but rather summarizes the significant elements relative to our debt in order to provide a basic overview.

tw telecom inc.



a TWTC and substantially all of these subsidiaries guarantee the 2018 Notes, 2022 Notes, 2022 Mirror Notes and 2023 Notes on an unsecured basis and the Revolver and the Term Loan on a secured basis.

b The assets and equity interests of these subsidiaries are pledged to secure the Revolver and the Term Loan.

c The Term Loan matures in April 2020. The principal amount is reduced by quarterly principal payments.

Capital Expenditures and Requirements

Our total capital expenditures were $293.8 million for the nine months ended September 30, 2013 compared to $243.8 million for the same period in 2012, with the majority of capital expenditures in each period for what we deem success-based opportunities that were linked to new installations and related network capacity increases. Success-based spending generally consists of short-to-medium length capital projects, in terms of anticipated time between capital spending and return on investment, driven by customer opportunities. The increase in capital expenditures over the prior year period primarily resulted from higher success-based spending for building entries and network capacity as well as an increase in investments to support our growth initiatives including new service development, automation and strategic network expansions to extend our reach.

In each of the years ended 2005 through 2012, over 75% of our total annual capital expenditures, excluding capital expenditures for integration and branding, were for success-based opportunities. This includes costs to connect to new customer locations with our fiber network and increase capacity in our network, IP backbone enhancements, collocation facility expansion and central office infrastructure to serve growing customer demands. These types of expenditures often fluctuate as our volume of sales and service installations increases or decreases.

For the full year 2013, we expect total capital expenditures of approximately $380 million (see "Capital Resources" below for discussion of anticipated funding sources), prior to the capital expenditure impacts of the market expansion (see "Business Expansion" above), with the majority of this amount to be related to success-based opportunities. Included in our expected capital expenditures are amounts we must spend to replace older network components, especially electronics, that we expect will continue to grow over time. We expect quarterly fluctuations in our capital spending due to the timing of large projects and other external factors such as customer readiness, permitting and weather. Additionally, we expect approximately $120 million in capital expenditures in the fourth quarter of 2013 related to capital leases for fiber assets to support our market expansion that will be paid over the initial 20 year lease term. Related to this expansion we expect to invest approximately $50 million in capital expenditures in 2014 to rapidly integrate and connect our market expansion into our national network and operational infrastructure. We expect to fund the market expansion investments using cash on hand and cash flow from operating activities.

Capital Resources

Based on current assumptions, we expect to generate sufficient cash from operations along with available cash on hand (including cash equivalents and investments) and borrowing capacity under our undrawn Revolver to provide sufficient funds to meet our expected capital expenditure and liquidity needs to operate our business and service our debt for the foreseeable future. However, if our assumptions prove incorrect or if there are other factors that negatively affect our cash position such as material unanticipated losses, a significant reduction in demand for our services, an acceleration of customer disconnections, or other adverse factors, or if we make acquisitions, enter into joint ventures or repurchase additional shares of our common stock, we may need to seek additional sources of funds through financing or other means. There is no assurance that other sources of financing on acceptable terms will be available in the future. Other risks, such as a rating downgrade on our debt or adverse debt market conditions, could further impact our potential access to or the cost of financing sources.

Our ability to draw upon the available commitments under our Revolver is subject to compliance with all of the covenants contained in the credit agreement and our continued ability to make certain representations and warranties. In the case of the Revolver, the covenants include financial maintenance covenants, such as leverage and interest coverage ratios and limitations on capital expenditures that are primarily derived from Modified EBITDA and debt levels. We are required to comply with these ratios as a condition to any borrowing under the Revolver and for as long as any loans are outstanding under the Revolver. The representations and warranties include the absence of liens on our properties other than certain permitted liens, the absence of litigation or other developments that have or could reasonably be expected to have a material adverse effect on us and our subsidiaries as a whole, and continued effectiveness of the documents granting security for the loans.

A lack of revenue growth or an inability to control costs could negatively impact Modified EBITDA and cause our failure to meet the required minimum ratios under the Revolver if we have loans outstanding under the Revolver or wish to draw on it. Although we currently believe that we will continue to be in compliance with the covenants, various factors, including deterioration of the economy, increased competition and pricing pressure and loss of revenue from significant customers, an acceleration of customer disconnections, a significant reduction in demand for our products without adequate reductions in capital expenditures and operating expenses or an uninsured catastrophic loss of physical assets or other risk factors could cause us to fail to meet our covenants. If our revenue growth is not sufficient to sustain the Modified EBITDA performance required to meet the debt covenants described above, and we have loans outstanding under the Revolver or wish to draw on it, we would have to consider cost cutting or other measures to maintain required Modified EBITDA levels or to enhance liquidity.

The Revolver, Term Loan and Senior Notes (the "Revolver and Long-Term Debt Obligations") limit our ability to declare cash dividends, incur indebtedness, incur liens on property and undertake acquisitions, among other things. The agreements governing the Revolver and Long-Term Debt Obligations also include cross default provisions under which we are deemed to be in default if we default under any of the other material outstanding obligations. If we are in default under any of the covenants under the Term Loan and Revolver, we also could potentially be subject to an acceleration of the repayment date of the Term Loan and the Revolver if we have borrowed under that facility. Covenant defaults under the credit agreement for the Revolver and Term Loan also may constitute an event of default under the indenture for the Senior Notes. In addition, the lenders under the Revolver may require prepayment of outstanding revolving loans if a change of control and ratings decline occurs as defined in the credit agreement. We are required to offer to prepay the Senior Notes and the Term Loan on an individual basis if a change of control and a debt rating decline occur, as defined in the indentures for the Senior Notes and the Term Loan agreement. If we do not comply with the covenants under the Revolver, we would not be able to draw funds under the Revolver, outstanding revolving loans could be accelerated or the lenders could cancel the Revolver unless the respective lenders agree to further modify the covenants. As of September 30, 2013, we were in compliance with all of our debt covenants.

Possible Future Uses of Cash. In order to reduce future cash interest payments, as well as future amounts due at maturity or mandatory redemption and reduce our leverage, we or our affiliates may, from time to time, enter into interest rate derivatives or purchase or redeem our outstanding Senior Notes for cash in the open market or privately negotiated transactions or engage in other transactions to reduce the principal amount of outstanding Senior Notes. Under the terms of our Revolver, which is more restrictive than our Term Loan and the indentures for the Senior Notes, we currently may repurchase a portion of our outstanding Senior Notes if the sum of our cash and equivalents and availability under our Revolver is a minimum of $200 million after giving effect to the repurchase, we do not use the Revolver proceeds for this purpose and we meet certain other conditions.

In November 2011, our Board of Directors authorized a multi-year repurchase program of up to $300 million of our common stock, of which approximately $278.0 million was repurchased during the nine months ended September 30, 2013, completing the $300 million share repurchase program. On August 6, 2013, our Board of Directors authorized a new $500 million multi-year common stock repurchase program, of which approximately $34.0 million was repurchased as of September 30, 2013 and an additional $16.0 million was repurchased subsequent to September 30, 2013 through October 31, 2013. Total

year to date repurchases through October 31, 2013 under both programs were $328.0 million. The $500 million repurchase authorization does not have an expiration date, but can be withdrawn by the Board at any time. Our Revolver, as amended in August 2013, permits repurchases of our common stock up to $500 million from August 9, 2013 to December 31, 2014, and thereafter $250 million annually in the aggregate if after the transaction the sum of our cash and cash equivalents and availability under our Revolver is a minimum of $200 million, we have not used that basket for other permissible purposes, including dividend payments, and we meet certain other conditions. Up to $200 million of this permitted amount that remains unused may be carried over and used in the year ending December 31, 2015. Up to $100 million of this permitted amount that remains unused in any fiscal year after December 31, 2015 may be carried over and used in the immediately succeeding calendar year for permissible purposes. This test under the Revolver is more restrictive than our other debt agreements. Through October 31, 2013, we repurchased $50.0 million of our common stock of the maximum $500 million permissible under our Revolver covenants through December 31, 2014. We do not anticipate that our market expansion (see "Business Expansion" above) will limit our ability to execute our common stock repurchase program.

We plan to evaluate additional repurchases of shares of our common stock in public or private transactions under the $500 million authorization described above based on market conditions and other considerations or may consider paying dividends to the extent permitted by our debt covenants. We may also consider merger and acquisition opportunities or other strategic transactions that could impact our cash usage. Additionally, we may increase our leverage for these purposes. We will evaluate any such transactions in light of market conditions, taking into account our liquidity and prospects for access to capital, benefits to us of any such transaction and contractual constraints. We generally expect to maintain approximately $300 million in cash, cash equivalents and short-term investments in order to provide ongoing liquidity and flexibility for other operating and strategic initiatives. The actual balance of cash, cash equivalents and short-term investments will depend on the timing of collections, disbursements, our business operations in general and any financing activities we may undertake and will fluctuate from quarter to quarter.

Risk Management. As of September 30, 2013, our cash, cash equivalents and short-term investments were held in financial institutions, prime money market mutual funds, U.S. Treasury money market mutual funds, certificates of deposit, commercial paper and debt securities issued by the U.S. Treasury and other U.S. government agencies. Although we actively monitor the depository institutions, credit quality of the U.S. government and its entities and the performance and quality of our investments and the mutual funds that hold our cash and cash equivalents, we are exposed to risks resulting from deterioration in the financial condition of the U.S. government and its entities, deterioration in the financial condition or failure of financial institutions holding our cash deposits, decisions of our investment advisors and the investment managers of the money market funds and defaults in securities underlying the funds and investments. We prioritize safety over investment return in choosing the investment vehicles for cash, cash equivalents and investments and have diversified these investments to the extent practical in an effort to minimize our exposure to any one investment vehicle or financial institution. We may change the nature of our cash, cash equivalent and short-term investments as market conditions change.

Off-Balance Sheet Arrangements. As of September 30, 2013, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Commitments. Our long-term commitments for our purchase obligations have not materially changed from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012 under "Management's Discussion and Analysis of Financial Condition and Results of Operations-Liquidity and Capital Resources-*Commitments*." Our long-term commitments for long-term debt and associated interest payments as a result of transactions in 2013 (including Senior Note issuances, refinancing the Term Loan and retirements of certain debt instruments (see discussion above under "Cash Flow Activity--Financing")) and new capital lease obligations subsequent to September 30, 2013, related to our right-to-use fiber assets, have resulted in material changes from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012, and are summarized as follows:

- issuance of $450 million principal amount 2022 Mirror Notes,
- issuance of $350 million principal amount 2023 Notes,
- an increase of $55.7 million in the principal amount of our Term Loan to $520 million and the extension of the maturity date for the Term Loan to April 2020,
- retirement of the outstanding $373.7 million principal amount of our Convertible Debentures,
- retirement of $406.5 million principal amount of our 2018 Notes,
- a net increase of $345.2 million in interest payments on long-term debt through the maturity date of each debt instrument; and,
- subsequent to September 30, 2013, entry into fiber leases that are expected to result in aggregate committed lease payments of $220 million primarily consisting of a 20 year capital lease obligation in the amount of approximately $120 million and related interest of approximately $90 million (for more information see Note 8) and operating lease commitments of approximately $10 million. Additionally, our total fixed maintenance obligations will increase approximately $50 million in connection with such capital lease obligation, for a total aggregate commitment of $270

million over the initial 20 year lease term. These amounts are estimates and the timing of payments associated with these aggregate commitments will depend on when the fiber assets are accepted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2012. Our exposures to market risk have not changed materially since December 31, 2012.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15 (e) under the Securities Exchange Act of 1934 as of September 30, 2013 and concluded that our disclosure controls and procedures were effective as of that date. Management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

There were no changes in our internal control over financial reporting that occurred during the three months ended September 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

We are party to various claims and legal and regulatory proceedings in the ordinary course of business. We do not believe that these claims or proceedings, individually or in the aggregate, are material or will have a material adverse effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

There have been no material changes to the risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents our purchases of equity securities reportable during the three months ended September 30, 2013:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [1]
July 1 - July 31, 2013	2,066,651	$ 29.48	2,066,651	$ 11,646,016
August 1 - August 31, 2013	444,872	30.06	444,872	498,271,685
September 1 - September 30, 2013	1,080,213	29.85	1,080,213	466,023,052
Total	3,591,736		3,591,736	

[1] On November 16, 2011, our Board of Directors authorized a multi-year repurchase program of up to $300 million of our common stock, which we completed in its entirety as of August 6, 2013. On August 6, 2013, our Board of Directors authorized a new $500 million multi-year common stock repurchase program. Repurchases under this authorization may be executed from time to time using a variety of methods, including open market purchases, block trades and privately negotiated transactions. Our open market purchases may be carried out pursuant to a pre-established trading plan under Rule 10b5-1 or under Rule 10b-18 under the Securities Exchange Act of 1934. The authorization has no time limit, and may be suspended or discontinued at any time. As of September 30, 2013, approximately $466.0 million remained available under the authorization.

Item 5. Other Information

In connection with its market expansion (see "Management's Discussion and Analysis of Financial Condition and Results of Operations-- Business Expansion"), Holdings on November 1, 2013 entered into a master service agreement with Zayo Group, LLC, pursuant to which Holdings will enter into leases of fiber for five new markets--Boston, Cleveland, Philadelphia, Richmond and Salt Lake City--and 27 of its existing markets that are expected to increase the Company's total metropolitan fiber route miles by approximately 17%.

The initial terms of the fiber leases are 20 years, with two ten-year renewals at Holdings' option, and automatic annual renewals thereafter until terminated by either party. The Company expects to recognize a right-to-use asset and corresponding capital lease obligation of approximately $120 million in the fourth quarter of 2013, representing the minimum commitment under the above-described leases and a related regional fiber lease, which are expected to result in aggregate committed lease payments over the initial 20 year lease term of approximately $220 million.

This disclosure is responsive to Item 1.01 and Item 2.03 of Form 8-K.

Item 6. Exhibits

The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this report and the Exhibit Index is incorporated herein by reference.

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

tw telecom inc.

Date: November 6, 2013

By: /S/ JILL R. STUART

Jill R. Stuart
Sr. Vice President, Accounting and Finance
and Chief Accounting Officer

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1 –	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007)*
3.2 –	Certificate of Amendment to Restated Certificate of Incorporation of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008)*
3.3 –	Amended By-laws of the Company (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)*
4.1 –	Indenture dated March 17, 2010 among **tw telecom holdings inc.**, **tw telecom inc.**, the Subsidiary Guarantors parties thereto and Wells Fargo Bank, National Association, as Trustee for the 8% Senior Notes due 2018 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 17, 2010)*
4.2 –	Indenture, dated as of October 2, 2012, among **tw telecom holdings inc.**, **tw telecom inc.**, the Subsidiary Guarantors parties thereto and Wells Fargo Bank, National Association, as Trustee, for the 5 $^{3}/_{8}$% Senior Notes due 2022 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 4, 2012)*
4.3 –	Second Amended and Restated Credit Agreement dated as of April 17, 2013, among the Company, **tw telecom holdings inc.**, the Subsidiary Guarantors parties thereto, the lenders parties thereto and Wells Fargo Bank, National Association, as administrative agent (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 18, 2013)*
4.4 –	First Amendment to Second Amended and Restated Credit Agreement dated August 12, 2013 among **tw telecom inc.**, **tw telecom holdings inc.**, Wells Fargo Bank, National Association, as Administrative Agent and Collateral Agent and the lenders named therein (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 12, 2013)*
4.5 –	Certification of Designations of Series A Junior Participating Preferred Stock of **tw telecom inc.** (filed as Exhibit 4.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009)*
4.6 –	Indenture dated March 29, 2006, between Time Warner Telecom Inc. and Wells Fargo Bank, National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)*
4.7 –	First Supplemental Indenture dated March 29, 2006 between Time Warner Telecom Inc. and Wells Fargo Bank, National Association, creating 2.375% Convertible Senior Debentures due 2026 (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)*
4.8 –	Indenture, dated as of August 26, 2013, among **tw telecom holdings inc.**, **tw telecom inc.**, the subsidiaries of **tw telecom holdings inc.** named therein, and Wells Fargo Bank, National Association, as trustee, relating to the 5.375% Senior Notes due 2022 of **tw telecom holdings inc.** (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 26, 2013)*
4.9 –	Indenture, dated as of August 26, 2013, among **tw telecom holdings inc.**, **tw telecom inc.**, the subsidiaries of **tw telecom holdings inc.** named therein, and Wells Fargo Bank, National Association, as trustee, relating to the 6.375% Senior Notes due 2023 of **tw telecom holdings inc.** (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed August 26, 2013)*

Exhibit Number	Description of Exhibit
10.1 –	Registration Rights Agreement, dated as of August 26, 2013, among **tw telecom holdings inc., tw telecom inc.**, the subsidiaries of **tw telecom holdings inc.** named therein, and the representatives of the initial purchasers of the 5.375% Senior Notes due 2022 (filed as Exhibit 4.3 to the Company's current report on Form 8-K filed August 26, 2013)*
10.2 –	Registration Rights Agreement, dated as of August 26, 2013, among **tw telecom holdings inc., tw telecom inc.**, the subsidiaries of **tw telecom holdings inc.** named therein, and the representatives of the initial purchasers of the 6.375% Senior Notes due 2023 (filed as Exhibit 4.4 to the Company's Current Report on Form 8-K filed August 26, 2013)*
31.1 –	Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2 –	Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 –	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 –	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS –	XBRL Instance Document
101.SCH –	XBRL Taxonomy Extension Schema Document
101.CAL –	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF –	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB –	XBRL Taxonomy Extension Label Linkbase Document
101.PRE –	XBRL Taxonomy Extension Presentation Linkbase Document

* Incorporated by reference.

10-Q 1 twtc2q1310q.htm 10-Q
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2013

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-34243

tw telecom inc.
(Exact name of Registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**84-1500624** **(I.R.S. Employer Identification Number)**
10475 Park Meadows Drive **Littleton, Colorado** **(Address of principal executive offices)**	**80124** **(Zip Code)**

Registrant's telephone number, including area code: (303) 566-1000

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐

Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of **tw telecom inc.**'s common stock as of July 31, 2013 was 145,666,574 shares.

Table of Contents

INDEX TO FORM 10-Q

		Page
Part I. Financial Information		
Item 1.	Financial Statements:	
	Condensed Consolidated Balance Sheets at June 30, 2013 (unaudited) and December 31, 2012	3
	Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2013 and 2012 (unaudited)	4
	Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2013 and 2012 (unaudited)	5
	Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2013 and 2012 (unaudited)	6
	Condensed Consolidated Statement of Changes in Stockholders' Equity for the six months ended June 30, 2013 (unaudited)	7
	Notes to Condensed Consolidated Financial Statements	8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	28
Item 3.	Quantitative and Qualitative Disclosures About Market Risk	45
Item 4.	Controls and Procedures	45
Part II. Other Information		
Item 1.	Legal Proceedings	46
Item 1A.	Risk Factors	46
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	46
Item 6.	Exhibits	47

Table of Contents

Part I. Financial Information

Item 1. Financial Statements

tw telecom inc.

CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2013	December 31, 2012
	(unaudited)	
	(amounts in thousands, except per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 420,265	$ 806,728
Investments	194,155	167,564
Receivables, less allowances of $6,705 and $7,067, respectively	109,765	99,703
Prepaid expenses and other current assets	28,817	19,164
Deferred income taxes	76,160	76,160
Total current assets	829,162	1,169,319
Property, plant and equipment	4,421,375	4,247,868
Less accumulated depreciation	(2,874,081)	(2,755,622)
	1,547,294	1,492,246
Deferred income taxes	77,582	101,885
Goodwill	412,694	412,694
Intangible assets, net of accumulated amortization	14,557	17,578
Other assets, net	33,897	30,015
Total assets	$ 2,915,186	$ 3,223,737
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 61,321	$ 55,857
Deferred revenue	47,501	45,471
Accrued taxes, franchise and other fees	57,747	60,844
Accrued interest	19,408	20,343
Accrued payroll and benefits	47,174	45,727
Accrued carrier costs	24,327	30,765
Current portion debt and capital lease obligations, net	203,902	374,969
Other current liabilities	37,571	29,163
Total current liabilities	498,951	663,139
Long-term debt and capital lease obligations, net	1,441,803	1,384,242
Long-term deferred revenue	21,615	23,177
Other long-term liabilities	44,203	41,240
Commitments and contingencies (Note 7)		
Stockholders' equity:		
Preferred stock, $0.01 par value, 20,000 shares authorized, no shares issued and outstanding	—	—
Common stock, $0.01 par value, 439,800 shares authorized, 153,760 and 151,953 shares issued, respectively	1,538	1,520
Additional paid-in capital	1,783,334	1,843,126
Treasury stock, 6,142 and 556 shares, at cost, respectively	(166,783)	(10,979)
Accumulated deficit	(709,520)	(721,793)

Accumulated other comprehensive income	45	65
Total stockholders' equity	908,614	1,111,939
Total liabilities and stockholders' equity	$ 2,915,186	$ 3,223,737

See accompanying notes to condensed consolidated financial statements.

Table of Contents

tw telecom inc.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(amounts in thousands, except per share amounts)			
Revenue:				
Data and Internet services	$ 209,634	$ 182,480	$ 411,716	$ 359,331
Voice services	93,080	91,008	185,435	180,629
Network services	78,487	83,009	157,350	167,813
Intercarrier compensation	8,282	8,006	16,191	15,655
Total revenue	389,483	364,503	770,692	723,428
Costs and expenses [a]:				
Operating (exclusive of depreciation, amortization and accretion shown separately below)	164,131	152,986	325,213	302,179
Selling, general and administrative	96,438	84,580	190,000	170,670
Depreciation, amortization and accretion	75,652	70,469	150,047	138,863
Total costs and expenses	336,221	308,035	665,260	611,712
Operating income	53,262	56,468	105,432	111,716
Interest expense	(21,544)	(21,860)	(49,884)	(43,441)
Debt extinguishment costs	(399)	—	(399)	—
Interest income	173	93	450	197
Income before income taxes	31,492	34,701	55,599	68,472
Income tax expense	14,145	15,382	25,108	29,821
Net income	$ 17,347	$ 19,319	$ 30,491	$ 38,651
Earnings per share:				
Basic	$ 0.12	$ 0.13	$ 0.20	$ 0.26
Diluted	$ 0.11	$ 0.13	$ 0.20	$ 0.25
Weighted average shares outstanding:				
Basic	147,071	147,497	148,095	147,232
Diluted	148,342	149,532	151,081	149,398

[a] Includes non-cash stock-based employee compensation expense (Note 6):

Operating	$ 545	$ 455	$ 1,128	$ 955
Selling, general and administrative	$ 7,869	$ 6,594	$ 16,748	$ 14,222

See accompanying notes to condensed consolidated financial statements.

Table of Contents

tw telecom inc.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(amounts in thousands)			
Net income	$ 17,347	$ 19,319	$ 30,491	$ 38,651
Other comprehensive loss, net of tax:				
Unrealized loss on available-for-sale securities	(28)	(52)	(20)	(60)
Other comprehensive loss, net of tax	(28)	(52)	(20)	(60)
Comprehensive income	$ 17,319	$ 19,267	$ 30,471	$ 38,591

See accompanying notes to condensed consolidated financial statements.

Table of Contents

tw telecom inc.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012
	(amounts in thousands)	
Cash flows from operating activities:		
Net income	$ 30,491	$ 38,651
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and accretion	150,047	138,863
Deferred income taxes	24,289	28,977
Stock-based compensation expense	17,876	15,177
Amortization of discount on debt and deferred debt issue costs and other	8,249	12,367
Changes in operating assets and liabilities:		
Receivables, prepaid expenses and other assets	(14,046)	(5,651)
Accounts payable, deferred revenue and other liabilities	(10,346)	(19,785)
Net cash provided by operating activities	206,560	208,599
Cash flows from investing activities:		
Capital expenditures	(187,509)	(157,575)
Purchases of investments	(157,523)	(119,813)
Proceeds from sale of investments	125,041	106,053
Other investing activities, net	(465)	5,707
Net cash used in investing activities	(220,456)	(165,628)
Cash flows from financing activities:		
Proceeds from issuance of common stock upon exercise of stock options	50,874	15,784
Taxes paid related to net share settlement of equity awards	(18,315)	(9,956)
Purchases of treasury stock	(197,310)	(11,519)
Excess tax benefits from stock-based compensation	944	716
Proceeds from modification of debt, net of financing costs	49,684	—
Retirement of convertible debt obligations	(256,348)	—
Payment of debt and capital lease obligations	(2,096)	(3,712)
Net cash used in financing activities	(372,567)	(8,687)
(Decrease) increase in cash and cash equivalents	(386,463)	34,284
Cash and cash equivalents at beginning of period	806,728	353,394
Cash and cash equivalents at end of period	$ 420,265	$ 387,678
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 43,540	$ 31,850
Cash paid for income taxes, net of refunds	$ 4,477	$ 5,058
Addition of capital lease obligation	$ 4,302	$ 2,326

See accompanying notes to condensed consolidated financial statements.

Table of Contents

tw telecom inc.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Six months ended June 30, 2013
(Unaudited)

	Common Stock		Treasury Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive (loss) income	Total stockholders' equity
	Shares	Amount	Shares	Amount				
	(amounts in thousands)							
Balance at December 31, 2012	151,953	$ 1,520	(556)	$ (10,979)	$1,843,126	$ (721,793)	$ 65	$ 1,111,939
Net income	—	—	—	—	—	30,491	—	30,491
Unrealized loss on available-for-sale securities, net of tax	—	—	—	—	—	—	(20)	(20)
Reacquisition of the equity component of convertible debentures	—	—	—	—	(78,776)	—	—	(78,776)
Purchases of treasury stock	—	—	(7,653)	(205,455)	—	—	—	(205,455)
Exercise of stock options net of withholdings to satisfy employee tax obligations upon vesting of stock awards	1,309	13	1,782	44,855	(520)	(11,789)	—	32,559
Stock-based compensation	498	5	285	4,796	19,504	(6,429)	—	17,876
Balance at June 30, 2013	153,760	$ 1,538	(6,142)	$(166,783)	$1,783,334	$ (709,520)	$ 45	$ 908,614

See accompanying notes to condensed consolidated financial statements.

Table of Contents

tw telecom inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Summary of Significant Accounting Policies

Description of Business and Capital Structure

tw telecom inc. (together with its wholly-owned subsidiaries, the "Company") is a leading national provider of managed network services, specializing in business Ethernet, data networking, converged, Internet Protocol ("IP") based virtual private network or "IP VPN", Internet access, voice, including voice over Internet Protocol or "VoIP", and network security services to enterprise organizations, including public sector entities, and carriers throughout the United States, including their global locations.

The Company has one class of common stock outstanding with one vote per share. The Company also is authorized to issue shares of preferred stock. The Company's Board of Directors has the authority to establish voting powers, preferences, and special rights for the preferred stock. No shares of preferred stock have been issued.

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for quarterly reports on Form 10-Q and do not include all of the information and note disclosures required by U.S. generally accepted accounting principles ("U.S. GAAP") for complete financial statements. These condensed consolidated financial statements should therefore be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC. The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with U.S. GAAP and include all adjustments of a normal, recurring nature that are, in the opinion of management, necessary to present fairly the financial position and results of operations for the interim periods presented. The results of operations for an interim period are not necessarily indicative of the results of operations for a full fiscal year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

In February 2013, the Financial Accounting Standards Board (the "FASB") issued an accounting standard update that requires entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component. Additionally, entities are required to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of accumulated other comprehensive income and the respective income statement line items affected by the reclassification. The guidance does not change the current requirements for reporting net income or other comprehensive income. The accounting standard update is effective on a prospective basis for interim and annual periods beginning after December 15, 2012. The Company adopted this accounting standard update in the three months ended March 31, 2013. This update affected presentation and disclosure, but did not affect the Company's consolidated financial position, results of operations or cash flows. See "Accumulated Other Comprehensive Income" below.

Accumulated Other Comprehensive Income

The balance in accumulated other comprehensive income as of June 30, 2013 relates to the Company's investments that are classified as available-for-sale securities. The Company recognized no material changes in accumulated other comprehensive income for the three and six months ended June 30, 2013. There were no significant items reclassified out of accumulated other comprehensive income for the three and six months ended June 30, 2013.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Revenue

The Company's revenue is derived primarily from business communications services comprised of the following:

- Data and Internet services include services that enable customers to connect their internal computer networks and to access external networks, including Internet access at high speeds using Ethernet protocol, local and wide-area business Ethernet and IP VPN solutions. Data and Internet services also include a portfolio of managed services including the data and Internet components of converged services, which fully integrates a combination of certain communication applications including IP VPN, Internet, security and managed router service into a single managed IP solution, and the data and Internet components of integrated services, which enable customers to purchase a full array of access options that include Internet services.

- Voice services include traditional and next generation voice capabilities, including voice services provided as standalone and bundled services, long distance and toll free services. Voice services also include the voice components of converged and integrated services.

- Network services are point-to-point services that transmit voice, data and images using state-of-the-art fiber optics, and collocation services that provide secure space with controlled climate and power where customers can locate their equipment to connect to the Company's network in facilities equipped for enterprise information technology environmental requirements.

The Company also generates revenue from intercarrier compensation. Intercarrier compensation is comprised of switched access services and reciprocal compensation. Switched access represents the compensation from another carrier for the delivery of traffic from a long distance carrier's point of presence to an end-user's premises provided through the Company's switching facilities. The Federal Communications Commission ("FCC") and state public utility commissions regulate switched access rates in their respective jurisdictions. Reciprocal compensation represents compensation from local exchange carriers ("LECs") for local exchange traffic originated on another LEC's facilities and terminated on the Company's facilities.

The Company's customers include, among others, enterprise organizations in the financial services, technology and scientific, health care, distribution, manufacturing and professional services industries, data center providers, cloud services providers, public sector entities, system integrators and communications service providers, including incumbent local exchange carriers ("ILECs"), competitive local exchange carriers ("CLECs"), wireless communications companies and cable companies.

Revenue for network, data and Internet, and the majority of voice services is generally billed in advance on a monthly fixed rate basis and recognized over the period the services are provided. Revenue for the majority of intercarrier compensation and certain components of voice services, such as long distance, is generally billed on a transactional basis in arrears based on a customer's actual usage; therefore, estimates are used to recognize revenue in the period earned.

The Company evaluates whether receivables are reasonably assured of collection based on certain factors, including the likelihood of billing being disputed by customers. If there is a billing dispute with a customer, revenue generally is not recognized until the dispute is resolved. The Company does not recognize revenue associated with contract termination charges until cash is received.

The Company classifies certain taxes and fees billed to customers and remitted to government authorities on a gross versus net basis in revenue and expense. In making this determination, the Company assesses, among other things, whether the Company is the primary obligor or principal taxpayer for the taxes and fees assessed in each jurisdiction where the Company does business. In jurisdictions where the Company determines that it is the principal taxpayer, the Company records the taxes and fees on a gross basis, including the taxes and fees in revenue and expense. In jurisdictions where the Company determines that it is merely a collection agent for the government authority, the Company records the taxes on a net basis. The total amounts classified as revenue, primarily included in voice services, associated with such taxes and fees were approximately $20.6 million and $19.8 million for the three months ended June 30, 2013 and 2012, respectively, and approximately $41.2 million and $39.5 million for the six months ended June 30, 2013 and 2012, respectively.

Significant Customers

The Company has substantial business relationships with a few large customers, including major telecommunications

carriers. The Company's 10 largest customers accounted for an aggregate of 18% and 19% of the Company's total revenue in the six months ended June 30, 2013 and 2012, respectively. No customer accounted for 5% or more of total revenue for the six months ended June 30, 2013 or 2012.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

2. Earnings per Common Share and Potential Common Share

Basic earnings per common share ("EPS") is measured as the income allocated to common stockholders divided by the weighted average outstanding common shares for the period. Diluted EPS is similar to basic EPS but presents the dilutive effect on a per share basis of potential common shares (such as convertible securities and stock options) as if they had been converted to shares at the beginning of the period presented. Potential common shares that have an anti-dilutive effect (*e.g.*, those that increase income per share) are excluded from diluted EPS.

The following is a reconciliation of the numerators and denominators used in the basic and diluted EPS computations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(amounts in thousands, except per share amounts)			
Numerator				
Net income	$ 17,347	$ 19,319	$ 30,491	$ 38,651
Allocation of net income to unvested restricted stock awards	(331)	(404)	(587)	(808)
Net income allocated to common stockholders, basic	$ 17,016	$ 18,915	$ 29,904	$ 37,843
Net income allocated to common stockholders, diluted	$ 17,016	$ 18,915	$ 29,904	$ 37,843
Denominator				
Basic weighted average shares outstanding	147,071	147,497	148,095	147,232
Dilutive potential common shares:				
Stock options	886	1,566	1,180	1,544
Unvested restricted stock	385	469	1,806	622
Diluted weighted average shares outstanding	148,342	149,532	151,081	149,398
Basic earnings per share	$ 0.12	$ 0.13	$ 0.20	$ 0.26
Diluted earnings per share	$ 0.11	$ 0.13	$ 0.20	$ 0.25

Options to purchase shares of the Company's common stock and restricted stock awards and restricted stock units to be settled in common stock upon vesting, which were excluded from the computation of diluted weighted average shares outstanding because their inclusion would be anti-dilutive, totaled 2.9 million shares and no shares for the three and six months ended June 30, 2013, respectively. Shares of common stock subject to issuance upon conversion of the Company's $2^3/_8$% Convertible Senior Debentures due 2026 (the "Convertible Debentures"), options to purchase shares of the Company's common stock and restricted stock awards and restricted stock units to be settled in common stock upon vesting, which were excluded from the computation of diluted weighted average shares outstanding because their inclusion would be anti-dilutive, totaled 23.9 million shares in each of the three and six months ended June 30, 2012.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

3. Investments

The Company's investments at June 30, 2013 and December 31, 2012 are summarized as follows:

	June 30, 2013	December 31, 2012
	(amounts in thousands)	
Cash equivalents:		
Prime money market mutual funds	$ 302,366	$ 425,165
U.S. Treasury money market mutual funds	66,044	262,967
Commercial paper	6,695	30,692
Certificates of deposit	—	8,000
Debt securities issued by U.S. Government agencies	—	4,999
Total cash equivalents	375,105	731,823
Investments:		
Debt securities issued by the U.S. Treasury	100,350	89,870
Commercial paper	59,976	32,480
Debt securities issued by U.S. Government agencies	29,079	45,214
Certificates of deposit	4,750	—
Total investments	194,155	167,564
Total cash equivalents and investments	$ 569,260	$ 899,387

At June 30, 2013 and December 31, 2012, the carrying values of investments included in cash and cash equivalents approximated fair value. The aggregate fair value of available-for-sale securities by major security type is included in Note 5. The amortized cost basis of the available-for-sale securities was not materially different from the aggregate fair value. The contractual maturities of the Company's available-for-sale securities are all within one year.

Proceeds from the sale and maturity of available-for-sale securities were $91.1 million and $69.6 million during the three months ended June 30, 2013 and 2012, respectively, and $125.0 million and $106.1 million during the six months ended June 30, 2013 and 2012, respectively. Gains and losses on investments are calculated using the specific identification method and are recognized during the period the investment is sold. The Company recognized no material unrealized or realized net gains or losses during the three and six months ended June 30, 2013 and 2012.

4. Long-Term Debt and Capital Lease Obligations

The components of long-term debt and capital lease obligations at June 30, 2013 and December 31, 2012 were as follows:

	June 30, 2013	December 31, 2012
	(amounts in thousands)	
Term Loan B - extended tranche, due 2016	$ —	$ 463,019
8% Senior Notes, due 2018	430,000	430,000
Term Loan B, due 2020	520,000	—
$5^3/_8$% Senior Notes, due 2022	480,000	480,000
$2^3/_8$% Convertible Senior Debentures, due 2026 [1]	196,497	373,743
Capital lease obligations	23,536	20,091
Total obligations	1,650,033	1,766,853
Unamortized discounts	(4,328)	(7,642)
Current portion	(203,902)	(374,969)

Total long-term debt and capital lease obligations	$ 1,441,803	$ 1,384,242

(1) Subsequent to June 30, 2013, the remaining outstanding amount of Convertible Debentures were retired. See "Retirement of Convertible Debentures including Subsequent Event" below.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

As of June 30, 2013, **tw telecom inc.** and its wholly-owned subsidiary, **tw telecom holdings inc.** ("Holdings"), were in compliance with all of their debt covenants.

Modification of Term Loan and Revolver

As of December 31, 2012, Holdings had a senior secured credit facility consisting of an $463.0 million outstanding principal amount Term Loan B (the "Term Loan") due December 2016 and an undrawn $80 million Revolving Credit Facility (the "Revolver") expiring December 2014. In April 2013, Holdings entered into a Second Amended and Restated Credit Agreement ("Amendment and Restatement") to increase the Term Loan to $520 million and extend the maturity date to April 2020. The Term Loan was issued at an offering price of 99.5% of the principal amount. Additionally, the Amendment and Restatement increased the Revolver, which remains undrawn, to $100 million and extended the maturity date to April 2018. Components of the Amendment and Restatement are detailed below:

- The Term Loan is a secured obligation, on a first lien basis, of Holdings. The Term Loan is guaranteed by the Company and Holdings' subsidiaries. Repayments of the Term Loan are due quarterly in an amount equal to 1/4 of 1% of the aggregate principal amount on the last day of each quarter commencing September 30, 2013. Interest on the Term Loan is computed based on a specified Eurodollar rate plus 2.5%. Interest is reset periodically and payable at least quarterly. Based on the Eurodollar rate in effect at June 30, 2013, the effective interest rate was 2.70%. In accordance with applicable accounting guidance, the amended and restated Term Loan agreement was accounted for as a modification of the existing debt. The fees paid to the lenders of $4.6 million were added to the existing deferred debt issuance costs and will be amortized through the maturity date of the Term Loan.

- The Revolver is secured and guaranteed in the same manner as the Term Loan. Interest on outstanding Revolver amounts, if any, will be computed based on a specified Eurodollar rate plus 1.75%-2.75%, depending on the Company's consolidated total leverage ratio, as defined in the Revolver, and will be reset periodically and payable quarterly. The Company is required to pay a commitment fee on the undrawn commitment amounts on a quarterly basis of 0.375%-0.5% per annum. The Amendment and Restatement contains customary affirmative and negative covenants. Most of the Revolver covenants apply whether or not the Company draws on that facility. In addition, if the Revolver were drawn, certain financial maintenance covenants would apply. The fees paid to the lenders of $1.4 million were added to existing debt issuance costs and will be amortized through the expiration date.

Retirement of Convertible Debentures including Subsequent Event

As of December 31, 2012, the Company had outstanding $373.7 million principal amount of Convertible Debentures. In the three months ended June 30, 2013, the Company cash settled approximately $255.8 million on $177.2 million principal amount of the Convertible Debentures as a result of repurchases by the Company and conversions by holders of the Convertible Debentures, resulting in $196.5 million outstanding principal amount as of June 30, 2013.

The Convertible Debentures were redeemable in whole or in part at the Company's option at any time on or after April 6, 2013 at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus accrued and unpaid interest. On May 29, 2013, the Company called for redemption all of the remaining outstanding Convertible Debentures. Holders of the Convertible Debentures had the option to require the Company to purchase all or part of the Convertible Debentures on April 1, 2013, at 100% of the principal and unpaid interest, or at any time prior to April 1, 2026, to convert the debentures into shares of the Company's common stock. Upon conversion, the Company had the right to deliver, in lieu of shares of common stock, cash or a combination of cash and shares of common stock. The Company elected to settle its conversion obligation entirely in cash. On July 3, 2013, the remaining $196.5 million outstanding principal amount of the Convertible Debentures was settled in cash for approximately $296.9 million as a result of conversions by holders of the Convertible Debentures in connection with the redemption.

5. Fair Value Measurements

Fair value, as defined by relevant accounting standards, is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would complete a transaction and considers assumptions that market participants would use

when pricing the asset or liability, such as inherent risk, transfer restrictions and risk of nonperformance.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

Fair Value Hierarchy

Relevant accounting standards set forth a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Relevant accounting standards establish three levels of inputs that may be used to measure fair value:

- *Level 1*—Quoted prices in active markets for identical assets or liabilities. Level 1 assets that are measured at fair value on a recurring basis consist of the Company's investments in prime money market mutual funds and U.S. Treasury money market mutual funds that are traded in an active market with sufficient volume and frequency of transactions, and are included as a component of cash and cash equivalents in the condensed consolidated balance sheets.
- *Level 2*—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets that are measured at fair value on a recurring basis consist of the Company's investments in certificates of deposit, commercial paper and debt securities issued by the U.S. Treasury and other U.S. government agencies using observable inputs in less active markets and are included as a component of cash and cash equivalents and investments in the condensed consolidated balance sheets. Level 2 liabilities that are measured, but not carried, at fair value on a recurring basis include the Company's long-term debt. The Company's long-term debt has not been listed on any securities exchange or quoted on an inter-dealer automated quotation system. The Company has estimated the fair value of its long-term debt based on indicative pricing published by certain investment banks or trading levels in our long-term debt.
- *Level 3*—Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities. The Company did not have any Level 3 assets or liabilities that were measured at fair value at June 30, 2013 and December 31, 2012.

The following table reflects assets and liabilities that are measured and carried at fair value on a recurring basis at June 30, 2013 and December 31, 2012:

	Fair Value Measurements At June 30, 2013			Assets at Fair Value
	Level 1	Level 2	Level 3	
		(amounts in thousands)		
Assets				
Prime money market mutual funds	$ 302,366	$ —	$ —	$ 302,366
U.S. Treasury money market mutual funds	66,044	—	—	66,044
Commercial paper	—	6,695	—	6,695
Investments included in cash and cash equivalents	$ 368,410	$ 6,695	$ —	$ 375,105
Debt securities issued by the U.S. Treasury	—	100,350	—	100,350
Commercial paper	—	59,976	—	59,976
Debt securities issued by U.S. Government agencies	—	29,079	—	29,079
Certificates of deposit	—	4,750	—	4,750
Short-term investments	$ —	$ 194,155	$ —	$ 194,155
Total assets	$ 368,410	$ 200,850	$ —	$ 569,260

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

	Fair Value Measurements At December 31, 2012			Assets at Fair Value
	Level 1	Level 2	Level 3	
	(amounts in thousands)			
Assets				
Prime money market mutual funds	$ 425,165	$ —	$ —	$ 425,165
U.S. Treasury money market mutual funds	262,967	—	—	262,967
Commercial paper	—	30,692	—	30,692
Certificates of deposit	—	8,000	—	8,000
Debt securities issued by U.S. Government agencies	—	4,999	—	4,999
Investments included in cash and cash equivalents	$ 688,132	$ 43,691	$ —	$ 731,823
Debt securities issued by the U.S. Treasury	—	89,870	—	89,870
Debt securities issued by U.S. Government agencies	—	45,214	—	45,214
Commercial paper	—	32,480	—	32,480
Short-term investments	$ —	$ 167,564	$ —	$ 167,564
Total assets	$ 688,132	$ 211,255	$ —	$ 899,387

The following table summarizes the carrying amounts and estimated fair values of the Company's long-term debt, including the current portion, at June 30, 2013 and December 31, 2012:

	June 30, 2013		December 31, 2012	
	Carrying Value	Fair Value Level 2	Carrying Value	Fair Value Level 2
	(amounts in thousands)			
Term Loan B - Extended tranche, due 2016	$ —	$ —	$ 463,019	$ 465,334
8% Senior Notes, net of discount	428,195	456,875	428,001	470,850
Term Loan B, net of discount	517,477	520,650	—	—
$5^3/_8$% Senior Notes	480,000	478,800	480,000	505,200
$2^3/_8$% Convertible Senior Debentures, net of discount	196,497	298,125	368,100	512,159
Total debt	$ 1,622,169	$ 1,754,450	$ 1,739,120	$ 1,953,543

6. Stock-Based Compensation

During the six months ended June 30, 2013, the Company granted restricted stock awards and restricted stock units with respect to 1.4 million shares and no stock options. As of June 30, 2013, the Company had 4.2 million restricted stock awards and restricted stock units that were unvested and 1.8 million stock options outstanding, of which 1.6 million were exercisable.

As of June 30, 2013, there was $75.4 million of total unrecognized compensation expense related to unvested restricted stock awards and restricted stock units, which is expected to be recognized over a weighted-average period of 2.5 years, and $0.7 million of total unrecognized compensation expense related to unvested stock options, which is expected to be recognized over a weighted-average period of 0.6 years.

7. Commitments and Contingencies

Management routinely reviews the Company's exposure to liabilities incurred in the normal course of its business operations. Where a probable contingency exists and the amount of the loss can be reasonably estimated, the Company records the estimated liability. Considerable judgment is required in analyzing and recording such liabilities and actual results may vary from the estimates.

The Company's pending legal proceedings are limited to litigation incidental to its business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the Company's financial statements.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

8. Supplemental Guarantor Information

The 8% Senior Notes due 2018 (the "2018 Notes") and 5³/₈% Senior Notes due 2022 (the "2022 Notes") are unsecured obligations of Holdings ("Issuer") and are guaranteed by the Company ("Parent Guarantor") and substantially all of the Issuer's subsidiaries ("Combined Subsidiary Guarantors"). The guarantees are joint and several. A significant amount of the Issuer's cash flow is generated by the Combined Subsidiary Guarantors. As a result, funds necessary to meet the Issuer's debt service obligations are provided in large part by distributions or advances from the Combined Subsidiary Guarantors. The 2018 Notes and 2022 Notes are governed by an indenture that contains certain restrictive covenants. These restrictions affect, and in many respects limit or prohibit, among other things, the ability of the Parent Guarantor, the Issuer and its subsidiaries to incur indebtedness, make prepayments of certain indebtedness, pay dividends, make investments, engage in transactions with stockholders and affiliates, issue capital stock of subsidiaries, create liens, sell assets and engage in mergers and consolidations.

The following information sets forth the Company's Condensed Consolidating Balance Sheets as of June 30, 2013 and December 31, 2012, Condensed Consolidating Statements of Operations for the three and six months ended June 30, 2013 and 2012, Condensed Consolidating Statements of Comprehensive Income for the three and six months ended June 30, 2013 and 2012, and Condensed Consolidating Statements of Cash Flows for the six months ended June 30, 2013 and 2012.

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING BALANCE SHEET
June 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 24,544	$ 395,721	$ —	$ —	$ 420,265
Investments	—	194,155	—	—	194,155
Receivables, net	—	—	109,765	—	109,765
Prepaid expenses and other current assets	—	19,599	9,218	—	28,817
Deferred income taxes	—	76,140	20	—	76,160
Intercompany receivable	1,407,656	969,335	—	(2,376,991)	—
Total current assets	1,432,200	1,654,950	119,003	(2,376,991)	829,162
Property, plant and equipment, net	—	57,949	1,489,345	—	1,547,294
Deferred income taxes	—	77,098	484	—	77,582
Goodwill	—	—	412,694	—	412,694
Intangible and other assets, net	—	25,181	23,273	—	48,454
Total assets	$ 1,432,200	$ 1,815,178	$ 2,044,799	$(2,376,991)	$ 2,915,186
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 8,996	$ 52,325	$ —	$ 61,321
Current portion debt and capital lease obligations	196,497	5,782	1,623	—	203,902
Other current liabilities	1,180	82,055	150,493	—	233,728
Intercompany payable	—	—	2,376,991	(2,376,991)	—
Total current liabilities	197,677	96,833	2,581,432	(2,376,991)	498,951
Losses in subsidiary in excess of investment	325,940	858,775	—	(1,184,715)	—
Long-term debt and capital lease obligations, net	—	1,420,566	21,237	—	1,441,803
Long-term deferred revenue	—	—	21,615	—	21,615
Other long-term liabilities	—	7,392	36,811	—	44,203
Stockholders' equity (deficit)	908,583	(568,388)	(616,296)	1,184,715	908,614
Total liabilities and stockholders' equity	$ 1,432,200	$ 1,815,178	$ 2,044,799	$(2,376,991)	$ 2,915,186

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING BALANCE SHEET
December 31, 2012

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 24,544	$ 782,184	$ —	$ —	$ 806,728
Investments	—	167,564	—	—	167,564
Receivables, net	—	—	99,703	—	99,703
Prepaid expenses and other current assets	—	11,270	7,894	—	19,164
Deferred income taxes	—	76,140	20	—	76,160
Intercompany receivable	1,864,694	506,610	—	(2,371,304)	—
Total current assets	1,889,238	1,543,768	107,617	(2,371,304)	1,169,319
Property, plant and equipment, net	—	48,686	1,443,560	—	1,492,246
Deferred income taxes	—	101,401	484	—	101,885
Goodwill	—	—	412,694	—	412,694
Intangible and other assets, net	275	20,634	26,684	—	47,593
Total assets	$ 1,889,513	$ 1,714,489	$ 1,991,039	$(2,371,304)	$ 3,223,737
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable	$ —	$ 7,141	$ 48,716	$ —	$ 55,857
Current portion debt and capital lease obligations, net	368,100	5,475	1,394	—	374,969
Other current liabilities	2,219	64,564	165,530	—	232,313
Intercompany payable	—	—	2,371,304	(2,371,304)	—
Total current liabilities	370,319	77,180	2,586,944	(2,371,304)	663,139
Losses in subsidiary in excess of investment	407,286	862,681	—	(1,269,967)	—
Long-term debt and capital lease obligations, net	—	1,366,463	17,779	—	1,384,242
Long-term deferred revenue	—	—	23,177	—	23,177
Other long-term liabilities	—	7,024	34,216	—	41,240
Stockholders' equity (deficit)	1,111,908	(598,859)	(671,077)	1,269,967	1,111,939
Total liabilities and stockholders' equity (deficit)	$ 1,889,513	$ 1,714,489	$ 1,991,039	$(2,371,304)	$ 3,223,737

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Three Months Ended June 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 389,483	$ —	$ 389,483
Costs and expenses:					
Operating, selling, general and administrative	—	67,167	193,402	—	260,569
Depreciation, amortization and accretion	—	6,707	68,945	—	75,652
Corporate expense allocation	—	(73,874)	73,874	—	—
Total costs and expenses	—	—	336,221	—	336,221
Operating income	—	—	53,262	—	53,262
Interest expense, net	(1,569)	(17,942)	(1,860)	—	(21,371)
Debt extinguishment costs	(327)	(72)	—	—	(399)
Interest expense allocation	1,896	18,014	(19,910)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	—	—	31,492	—	31,492
Income tax expense	—	13,672	473	—	14,145
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(13,672)	31,019	—	17,347
Equity in undistributed earnings of subsidiaries	17,347	31,019	—	(48,366)	—
Net income	$ 17,347	$ 17,347	$ 31,019	$ (48,366)	$ 17,347

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
Three Months Ended June 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Total revenue	$ —	$ —	$ 364,503	$ —	$ 364,503
Costs and expenses:					
Operating, selling, general and administrative	—	52,422	185,144	—	237,566
Depreciation, amortization and accretion	—	6,677	63,792	—	70,469
Corporate expense allocation	—	(59,099)	59,099	—	—
Total costs and expenses	—	—	308,035	—	308,035
Operating income	—	—	56,468	—	56,468
Interest expense, net	(7,789)	(12,075)	(1,903)	—	(21,767)
Interest expense allocation	7,789	12,075	(19,864)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	-	—	34,701	—	34,701
Income tax expense	—	14,947	435	—	15,382
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(14,947)	34,266	—	19,319
Equity in undistributed earnings of subsidiaries	19,319	34,266	—	(53,585)	—
Net income	$ 19,319	$ 19,319	$ 34,266	$ (53,585)	$ 19,319

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

Six months ended June 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 770,692	$ —	$ 770,692
Costs and expenses:					
Operating, selling, general and administrative	—	131,974	383,239	—	515,213
Depreciation, amortization and accretion	—	13,286	136,761	—	150,047
Corporate expense allocation	—	(145,260)	145,260	—	—
Total costs and expenses	—	—	665,260	—	665,260
Operating income	—	—	105,432	—	105,432
Interest expense, net	(9,705)	(35,820)	(3,909)	—	(49,434)
Debt extinguishment costs	(327)	(72)	—	—	(399)
Interest expense allocation	10,032	35,892	(45,924)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	—	—	55,599	—	55,599
Income tax expense	—	24,289	819	—	25,108
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(24,289)	54,780	—	30,491
Equity in undistributed earnings of subsidiaries	30,491	54,780	—	(85,271)	—
Net income	$ 30,491	$ 30,491	$ 54,780	$ (85,271)	$ 30,491

Table of Contents

tw telecom inc.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

Six months ended June 30, 2012

(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Total revenue	$ —	$ —	$ 723,428	$ —	$ 723,428
Costs and expenses:					
Operating, selling, general and administrative	—	105,426	367,423	—	472,849
Depreciation, amortization and accretion	—	11,469	127,394	—	138,863
Corporate expense allocation	—	(116,895)	116,895	—	—
Total costs and expenses	—	—	611,712	—	611,712
Operating income	—	—	111,716	—	111,716
Interest expense, net	(15,467)	(24,087)	(3,690)	—	(43,244)
Interest expense allocation	15,467	24,087	(39,554)	—	—
Income before income taxes and equity in undistributed earnings of subsidiaries	—	—	68,472	—	68,472
Income tax expense	—	28,977	844	—	29,821
Net income (loss) before equity in undistributed earnings of subsidiaries	—	(28,977)	67,628	—	38,651
Equity in undistributed earnings of subsidiaries	38,651	67,628	—	(106,279)	—
Net income	$ 38,651	$ 38,651	$ 67,628	$ (106,279)	$ 38,651

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Three Months Ended June 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Net income	$ 17,347	$ 17,347	$ 31,019	$ (48,366)	$ 17,347
Other comprehensive loss, net of tax:					
Unrealized loss on available-for-sale securities	(28)	(28)	—	28	(28)
Other comprehensive loss, net of tax	(28)	(28)	—	28	(28)
Comprehensive income	$ 17,319	$ 17,319	$ 31,019	$ (48,338)	$ 17,319

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Three Months Ended June 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Net income	$ 19,319	$ 19,319	$ 34,266	$ (53,585)	$ 19,319
Other comprehensive loss, net of tax:					
Unrealized loss on available-for-sale securities	(52)	(52)	—	52	(52)
Other comprehensive loss, net of tax	(52)	(52)	—	52	(52)
Comprehensive income	$ 19,267	$ 19,267	$ 34,266	$ (53,533)	$ 19,267

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Six months ended June 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Net income	$ 30,491	$ 30,491	$ 54,780	$ (85,271)	$ 30,491
Other comprehensive loss, net of tax:					
Unrealized loss on available-for-sale securities	(20)	(20)	—	20	(20)
Other comprehensive loss, net of tax	(20)	(20)	—	20	(20)
Comprehensive income	$ 30,471	$ 30,471	$ 54,780	$ (85,251)	$ 30,471

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
Six months ended June 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
			(amounts in thousands)		
Net income	$ 38,651	$ 38,651	$ 67,628	$ (106,279)	$ 38,651
Other comprehensive loss, net of tax:					
Unrealized loss on available-for-sale securities	(60)	(60)	—	60	(60)
Other comprehensive loss, net of tax	(60)	(60)	—	60	(60)
Comprehensive income	$ 38,591	$ 38,591	$ 67,628	$ (106,219)	$ 38,591

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
Six months ended June 30, 2013
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Cash flows from operating activities:					
Net income	$ 30,491	$ 30,491	$ 54,780	$ (85,271)	$ 30,491
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and accretion	—	13,286	136,761	—	150,047
Deferred income taxes	—	24,289	—	—	24,289
Stock-based compensation expense	—	—	17,876	—	17,876
Amortization of discount on debt and deferred debt issue costs and other	6,244	2,005	—	—	8,249
Intercompany and equity investment changes	385,403	(466,631)	(4,043)	85,271	—
Changes in operating assets and liabilities	(1,039)	15,973	(39,326)	—	(24,392)
Net cash provided by (used in) operating activities	421,099	(380,587)	166,048	—	206,560
Cash flows from investing activities:					
Capital expenditures	—	(22,465)	(165,044)	—	(187,509)
Purchases of investments	—	(157,523)	—	—	(157,523)
Proceeds from sale of investments	—	125,041	—	—	125,041
Other investing activities, net	—	(83)	(382)	—	(465)
Net cash used in investing activities	—	(55,030)	(165,426)	—	(220,456)
Cash flows from financing activities:					
Net proceeds (tax withholdings) from issuance of common stock upon exercise of stock options and vesting of restricted stock awards and units	32,559	—	—	—	32,559
Purchases of treasury stock	(197,310)	—	—	—	(197,310)
Excess tax benefits from stock-based compensation	—	944	—	—	944
Net proceeds from modification of debt, net of debt issuance costs	—	49,684	—	—	49,684
Retirement of convertible debt obligations	(256,348)	—	—	—	(256,348)
Payment of debt and capital lease obligations	—	(1,474)	(622)	—	(2,096)
Net cash (used in) provided					

by financing activities	(421,099)	49,154	(622)	—	(372,567)
Decrease in cash and cash equivalents	—	(386,463)	—	—	(386,463)
Cash and cash equivalents at beginning of period	24,544	782,184	—	—	806,728
Cash and cash equivalents at end of period	$ 24,544	$ 395,721	$ —	$ —	$ 420,265

Table of Contents

tw telecom inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - (Continued)

tw telecom inc.
CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
Six months ended June 30, 2012
(unaudited)

	Parent Guarantor	Issuer	Combined Subsidiary Guarantors	Eliminations	Consolidated
	(amounts in thousands)				
Cash flows from operating activities:					
Net income	$ 38,651	$ 38,651	$ 67,628	$ (106,279)	$ 38,651
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation, amortization and accretion	—	11,469	127,394	—	138,863
Deferred income taxes	—	28,977	—	—	28,977
Stock-based compensation expense	—	—	15,177	—	15,177
Amortization of discount on debt and deferred debt issue costs and other	11,029	1,338	—	—	12,367
Intercompany and equity investment changes	(43,989)	(15,137)	(47,153)	106,279	—
Changes in operating assets and liabilities	—	(9,986)	(15,450)	—	(25,436)
Net cash provided by operating activities	5,691	55,312	147,596	—	208,599
Cash flows from investing activities:					
Capital expenditures	—	(6,067)	(151,508)	—	(157,575)
Purchases of investments	—	(119,813)	—	—	(119,813)
Proceeds from sale of investments	—	106,053	—	—	106,053
Proceeds from sale of assets and other investing activities, net	—	1,310	4,397	—	5,707
Net cash used in investing activities	—	(18,517)	(147,111)	—	(165,628)
Cash flows from financing activities:					
Net proceeds (tax withholdings) from issuance of common stock upon exercise of stock options and vesting of restricted stock awards and units	5,828	—	—	—	5,828
Purchases of treasury stock	(11,519)	—	—	—	(11,519)
Excess tax benefits from stock-based compensation	—	716	—	—	716
Payment of debt and capital lease obligations	—	(3,227)	(485)	—	(3,712)
Net cash used in financing activities	(5,691)	(2,511)	(485)	—	(8,687)
Increase in cash and cash equivalents	—	34,284	—	—	34,284

Cash and cash equivalents at beginning of period	24,543	328,851	—	—	353,394
Cash and cash equivalents at end of period	$ 24,543	$ 363,135	$ —	$ —	$ 387,678

Table of Contents

tw telecom inc.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information regarding the results of operations and financial condition of the Company and should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto. This discussion and analysis also should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the consolidated financial statements included in Part II of our Annual Report on Form 10-K for the year ended December 31, 2012. References in this item to "we," "our," or "us" are to the Company and its subsidiaries on a consolidated basis unless the context otherwise requires.

In order to assist the reader in understanding certain terms relating to the telecommunications business that are used in this Quarterly Report on Form 10-Q, we refer you to the glossary included following Part III of our Annual Report on Form 10-K for the year ended December 31, 2012.

Cautions Concerning Forward-Looking Statements

This document contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including statements regarding, among other items, our expected financial position, expected capital expenditures, business trends and fluctuations, expected revenue mix, expected revenue changes, the impact of regulatory changes, future tax benefits and expense, expense trends, growth initiatives, future liquidity and capital resources, product plans, share repurchases, debt retirement, future cash balances, growth or stability from particular customer segments, anticipated customer disconnections and customer and revenue churn, Modified EBITDA and margin trends, expected network expansion and business and financing plans. These forward-looking statements are based on management's current expectations and are naturally subject to risks, uncertainties, and changes in circumstances, certain of which are beyond our control. Actual results may differ materially from those expressed or implied by such forward-looking statements.

The words "believe," "plan," "target," "expect," "intend," and "anticipate," and expressions of similar substance identify forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that those expectations will prove to be correct. Important factors that could cause actual results to differ materially from the expectations described in this report are set forth under "Risk Factors" in Item 1A and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2012 and elsewhere in this report. In addition, actual results may differ from our expectations due to, among other things, the timing of disconnections and service installations which may affect the extent to which those factors impact our results in a particular period, an acceleration of customer disconnections, increased competition and pricing pressures, inability to obtain rights to build networks into commercial buildings, economic downturns, which may adversely affect our revenue growth, net income or Modified EBITDA, delays in launching new products that our customers desire, growth initiatives that may not result in the intended revenue growth acceleration, decreased demand for our products, industry consolidation and other industry conditions, significant increases or decreases in the market prices of our common stock, an ownership change that results in limitations on our use of net operating loss carryforwards ("NOLs") under Section 382 of the Internal Revenue Code, increases in the prices we pay for use of facilities of ILECs, increased costs from healthcare reform and higher taxes or further deregulation of the ILECs or other factors that may adversely affect the cost and availability of ILEC facilities that we use to reach certain customer locations, and adverse regulatory rulings or legislative developments. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We are a leading national provider of managed network services, specializing in business Ethernet, data networking, converged, IP VPN, Internet access, voice, including VoIP, and network security services to enterprise organizations, including public sector entities, and carriers throughout the U.S., including their global locations. Our revenue is derived from business communication services, including data, high-speed Internet access, network and voice services. Our customers include, among others, enterprise organizations in the financial services, technology and scientific, health care, distribution, manufacturing and professional services industries, data center providers, cloud services providers, public sector entities, system integrators and communications service providers, including ILECs, CLECs, wireless communications companies and cable companies.

Table of Contents

tw telecom inc.

Through our subsidiaries, we serve 75 metropolitan markets with local fiber networks that are connected to our regional fiber facilities and national IP backbone. As of June 30, 2013, our fiber network spanned over 29,000 route miles (including approximately 23,000 metropolitan route miles) connecting to 19,082 buildings served directly by our local fiber facilities including approximately 450 third party data centers across the country where customers deploy their own equipment or connect to cloud service providers. We continue to extend our fiber footprint within our existing markets by connecting our network into additional locations and to expand our data, voice and IP networking capabilities between our markets, supporting secure end-to-end business Ethernet, IP VPN and converged solutions for customers.

Our revenue is derived from business communications services, including data, high-speed Internet access, voice and network services. Although we analyze revenue by customer type, we present our financial results as one segment across the U.S. because our business is centrally managed.

Business Strategy

Our objective is to be the leading national provider of high quality, business network solutions leveraging our integrated network, operational capabilities, dedicated people, local presence, personalized customer experience and advanced support systems to meet the complex and evolving needs of our customers and increase stockholder value. The key elements of our business strategy include:

- Focusing our service offerings on meeting our customers' complex evolving needs, emphasizing business Ethernet and IP VPN services (which we refer to as strategic services), Internet-based services and converged service offerings and developing our advanced service capabilities, which we refer to as the "Intelligent Network". We launched the initial phase of the Intelligent Network, Enhanced Management, in June 2012 for IP VPN, converged and Ethernet services, and the second phase, Dynamic Capacity, which allows customers to manage or schedule bandwidth, in August 2012, and have added enhancements to those capabilities as described below.
- Enabling enterprise cloud computing and other developing customer information technology ("IT") and business strategies by leveraging our fiber network, data services portfolio, Intelligent Network capabilities and the numerous third party and customer data centers connected to our network;
- Delivering a differentiated customer care strategy by engaging all of our employees and continually incorporating customer feedback and increasing automation to provide the best possible customer service;
- Leveraging our local fiber assets and national IP backbone and integrating and managing other carriers' facilities to enable our customers to connect any of their locations with our network solutions, and using our local presence and local sales, sales engineering, customer support and operational resources, backed by a national organization, to provide personalized service and customized solutions for our customers;
- Enhancing our multi-channel sales strategy through expanding our sales personnel for both our direct and indirect channels;
- Employing a capital allocation strategy that includes investments for growth in our business in the near and long term, maintenance of a strong balance sheet and returning value to stockholders through share repurchases or other means; and
- Investing in our people to drive the execution of our strategies.

New Services

We launched the following new services and enhancements during the first six months of 2013:

- Alert-Driven Dynamic Capacity, which enhances our Dynamic Capacity offerings by allowing customers to automatically increase their bandwidth based on pre-set parameters and the capability to increase that bandwidth up to 10 Gigabits;
- Enhanced Management Thresholds and Alerts that provides customers proactive notification of information regarding their networks based on customer-established parameters;
- Advanced Session Initiation Protocol or "SIP" trunking services, a managed solution for customized large enterprise voice applications

- Distributed Denial of Service security offering that mitigates attacks on customers' Internet service and addresses unwanted traffic and data on their networks; and
- Both 40 and 100 Gigabit metro Ethernet service that provides a higher speed, fully managed large capacity service for larger and more complex customer networks and which complements our existing 2.5 and 10 Gigabit Ethernet offerings.

Table of Contents

We expect to launch additional new services in the second half of 2013, including additions to our managed services portfolio.

Revenue Trends

Total Revenue

Our revenue has grown for the past 35 consecutive quarters through June 30, 2013, including throughout the various economic cycles. We expect our future revenue growth to be driven in part by the increasingly web-based economy and developing IT strategies such as cloud computing, collaboration, data center connectivity and disaster recovery, all of which require the reliable connectivity and network capacity that we provide. We also expect that our advanced service capabilities will drive more demand for our existing Ethernet and VPN product suite and enhance our future data services revenue growth. Our national footprint and continuously evolving service capabilities enable us to serve customers with multi-point, multi-city locations. Our annual year-over-year revenue growth rate increased over each of the years ended December 31, 2010, 2011 and 2012 and was 5.1%, 7.4% and 7.6%, respectively. These higher year-over-year revenue growth rates were primarily due to increased demand, low revenue churn and an increase in certain taxes and fees that are reported on a gross versus net basis in revenue and expense. We also believe that our new and enhanced services, our customer experience initiatives to increase customer loyalty and retention and improved economic conditions contributed to our growing revenue.

In 2012, our service installations increased year-over-year, although at a growth rate lower than our total overall revenue growth rate for 2012. As a result, beginning in the three months ended March 31, 2012, we experienced a trend of lower quarterly year-over-year revenue growth rates, including 6.9% for the three months ended June 30, 2013, compared to 7.7% for the same period in 2012, and expect this trend to continue in 2013. We believe that increasing our rate of revenue growth will be dependent on higher sales and service installations to keep pace with the growing total base of revenue, retaining revenue from existing customers and a stronger economy. In 2013, we are implementing several initiatives focused on increasing sales to capture growing market demand and share that we expect to contribute to an accelerating growth rate over the long term (see "Modified EBITDA Trends and Growth Initiatives" below). Our year-over-year revenue growth rate was 6.9% for the three months ended June 30, 2013 compared to 6.2% for the three months ended March 31, 2013, primarily due to strong sales in the fourth quarter of 2012 and higher intercarrier compensation settlements and revenue rather than the impact of the growth initiatives. We also expect that a large carrier disconnection order that we received in July 2013 will pressure our revenue growth rate in the third quarter of 2013.

Revenue for data and Internet, network and the majority of our voice services is generally billed in advance on a monthly fixed-rate basis and recognized over the period the services are provided. Revenue for the majority of intercarrier compensation and certain components of voice services, such as certain components of long distance, is generally billed on a transactional basis in arrears based on a customer's actual usage; therefore, we use estimates to recognize revenue in the period earned. Due to the time required to obtain or build necessary facilities, obtain rights to install equipment in multi-tenant buildings and other factors related to service installation, some of which are not within our control, there is often a time lag between the time that a sale, or "booking" *(i.e.*, signed contract) is made, and the time revenue commences. Our installation intervals are generally longer for the more complex solutions delivered to our customers. In some situations, the timing of service installations may be subject to factors that our customers control, such as their readiness for us to install equipment on their premises or the readiness of their equipment. Due to all of these factors, installation intervals may range between two weeks for single-site, less complex services to 6 to 12 months or longer for the more complex solutions.

Enterprise Customer Revenue

Revenue from enterprise customers has increased for the past 44 consecutive quarters through June 30, 2013 and increased 8.7% and 8.4% for the three and six months ended June 30, 2013, respectively, as compared to the same periods in 2012, primarily due to increased installations of our data and Internet services such as business Ethernet and VPN and other services. Revenue from our enterprise customers represented 80% of our total revenue in each of the three and six months ended June 30, 2013. We expect our future revenue growth to come primarily from our enterprise customer base, largely due to our advanced network capabilities and new services portfolio.

Table of Contents

Carrier Customer Revenue

Our carrier revenue represented 18% of our total revenue in each of the three and six months ended June 30, 2013. For the quarter ended June 30, 2013, carrier revenue decreased $0.2 million over the quarter ended June 30, 2012, primarily due to churn (see "Revenue and Customer Churn" below) and repricing for contract renewals, largely offset by growth in Ethernet services.

Carrier revenue has been gradually declining as a percentage of revenue due to the higher contribution from enterprise customer revenue coupled with continued disconnections and repricing of carrier contracts upon renewals somewhat offset by installed sales of Ethernet services to carriers to serve their end users' needs. Carrier revenue from wireless providers represented 29% of total carrier revenue for each of the three and six months ended June 30, 2013. While we expect some contribution to carrier revenue as we expand our data service offerings to our wholesale customer base, our carrier revenue historically has been impacted by pricing declines in connection with carrier customer contract renewals, disconnections resulting from price competition from other carriers, network grooming and carrier consolidation. We expect these impacts on our carrier revenue to continue.

Intercarrier Compensation Revenue

Intercarrier compensation revenue, which consists of switched access services and reciprocal compensation, represented 2% of our total revenue in each of the three and six months ended June 30, 2013, and is expected to decline in the future as a percentage of total revenue due to federal and state mandated rate reductions and changes in the regulatory regime for intercarrier compensation. We lowered the rates we charge other carriers to terminate traffic on our network in July 2012 to comply with a 2011 FCC order. The FCC order mandates another rate decrease in July 2013. As a result of the FCC order, we expect to lose approximately $4.0 million in intercarrier compensation revenue in the year ended December 31, 2013 compared to the year ended December 31, 2012. The order mandates further rate declines on terminating traffic through 2018, when carriers will be required to exchange terminating traffic on a "bill and keep" basis, meaning that the exchange of traffic will not be compensatory. We expect that intercarrier compensation revenue also will fluctuate based on variations from period to period in minutes of use originating and terminating on our network and fluctuations in customer settlements.

Revenue and Customer Churn

Revenue churn, defined as the average lost recurring monthly billing for the period from a customer's partial or complete disconnection of services (excluding pricing declines upon contract renewals and lost usage revenue) compared to reported revenue, is a measure used by management to evaluate revenue retention. Customer and service disconnections occur as part of the normal course of business and are primarily associated with price competition from other providers, customers moving facilities to other locations and network grooming, business contractions, financial difficulties and consolidation, among other reasons. After higher churn beginning in late 2007 and continuing through 2009, revenue churn improved in the year ended December 31, 2010 to pre-recession levels of 1.0% of monthly revenue and further improved to 0.9% in each of the years ended December 31, 2011 and 2012 and 0.9% and 0.8% for the three and six months ended June 30, 2013, respectively. We believe that the improvement in revenue churn is a result of improved economic conditions as well as our service portfolio, measures we put in place to increase revenue retention and our customer experience initiatives. As a component of revenue churn, revenue lost from customers fully disconnecting services was 0.2% for the years ended December 31, 2011 and 2012 and for each of the three and six months ended June 30, 2013. We continue our initiatives to maintain revenue churn that is low relative to our industry, but do not expect contribution to our revenue growth rate from a lower revenue churn rate. If our revenue churn were to increase, our revenue growth would likely be negatively impacted. We cannot predict the total impact on revenue from future customer disconnections or the timing of such disconnections or whether these favorable churn trends will continue.

Customer churn, defined as the average monthly customer turnover for the period compared to the average monthly customer count for the period, was 0.9% in each of the three and six months ended June 30, 2013 compared with 1.1%, 1.0% and 1.0% for the years ended December 31, 2010, 2011 and 2012, respectively. The majority of this churn came from our smaller customers, which we expect will continue.

Pricing

We experience significant price competition across our service categories that impacts our revenue. We also believe that technology advancements over the years in the telecommunications industry have resulted in lower unit costs for some electronics and equipment that drives customer demand for higher bandwidth at the same or lower prices.

Table of Contents

In our industry, service agreements typically range from two to five years, with fixed pricing for the contract term. When contracts are renewed with no changes to the services, pricing is frequently reduced to current market levels as a renewal incentive. The impact of those price reductions on our revenue may fluctuate from quarter to quarter. In addition, during the terms of agreements, customers often purchase additional services or increase or decrease the capacity of existing services, subject to applicable early termination charges, depending on their business needs. In some cases, the impact of re-pricing is mitigated by customers' purchase of additional services.

Expenses and Modified EBITDA Trends

Pricing of Special Access Services

We purchase a substantial amount of special access services primarily from ILECs to expand the reach of our network and also provide special access services to customers over our fiber facilities in competition with ILECs. The ILECs have argued before the FCC that the high capacity telecommunications services that they sell, including special access services we buy from them, should no longer be subject to regulations governing price and quality of service. We have advocated that the FCC modify certain of its special access pricing flexibility rules to return these services to price-cap regulation to protect against unreasonable price increases for carriers such as us. The FCC is reviewing its regulation of special access pricing in a pending proceeding commenced in 2005 that has not yet resulted in proposed rules. In 2012, the FCC suspended the operation of the pricing flexibility triggers, which means that ILECs cannot expand the geographic scope of their capability to raise prices, pending further FCC review. We cannot predict when the FCC will act on interstate special access pricing regulation or the impact of any such action.

If the special access services we buy from the ILECs were to be further deregulated, ILECs would have a greater ability to increase the price and reduce the service quality of special access services they sell to us. As the prices we must pay for special access services increase, our margins are pressured.

In addition, the FCC has granted ILEC requests for forbearance from regulation of certain Ethernet and OC-n high capacity services offered by the ILECs as special access, with the result that prices we would pay for those services are no longer price regulated and could increase. We are advocating reversal of these forbearance requests since a growing portion of the services we buy are Ethernet enabled and not subject to regulation. We also continue to pursue and implement commercial arrangements with the ILECs and cable companies for these services on acceptable terms and conditions.

Bad Debt Expense Trends

Due to the quality of our customer base, successful collection efforts, internal controls, bad debt recoveries and our revenue recognition policies, including recognition of contract termination charges upon cash receipt, our bad debt expense was less than 1% of our total revenue in each of the three and six months ended June 30, 2013, comparable to the years ended December 31, 2012, 2011 and 2010. We cannot assure that we will be able to maintain bad debt expense at this low level.

Modified EBITDA Trends and Growth Initiatives

We have implemented initiatives to expand our revenue growth, margins and cash flow that require both capital and operating investments. During the three years ended December 31, 2012, these operating investments included expansion of our sales and sales support staff as well as IT and technical personnel and contract labor to support our growing customer base and new service and technology investments to provide future capabilities that differentiate our services from the competition. Our capital spending investments during these periods consisted of incremental expenditures linked to increased sales, including sales to wireless providers, new service portfolio enhancements, including our expanded Ethernet service portfolio and our Intelligent Network capabilities, strategic market expansion through fiber purchases to extend our network reach and corporate and IT initiatives that support the evolution of our services, enable our customer experience and drive increased scale and efficiency. We believe that these initiatives resulted in expansion of our revenue growth, margins and cash flows during the three years ended December 31, 2012.

Modified EBITDA (see Note 2 to the table under "Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012--Operating Income and Net Income" for a definition of Modified EBITDA) grew 6.2%, 7.4% and 8.6% in the years ended December 31, 2010, 2011 and 2012, respectively, each compared to the prior year, and further grew 2.5% and 2.9% in the three and six months ended June 30, 2013, respectively, compared to the same period last year. Modified EBITDA

margin was 36.4%, 36.4% and 36.8% for the years ended December 31, 2010, 2011 and 2012, respectively, and 35.3% and 35.5% for the three and six months ended June 30, 2013, respectively. These margins included the absorption of increased costs for network access due to higher prices and greater reach and costs associated with further expansion of our sales and support staff and IT and technical personnel and were impacted by the dilutive effect of certain taxes and fees that are reported

Table of Contents

on a gross versus net basis in revenue and expense (see "Revenue" in Note 1 to the unaudited interim condensed consolidated financial statements).

The initiatives that we are implementing in 2013 are designed to reverse the recent trend of lower quarterly year-over-year revenue growth rates and include further increasing investments in our sales and support staff to expand our market penetration. We believe that increasing our sales and support staff to leverage our service offerings and support our increasingly complex solutions will enable us to attract new customers, sell more services to existing customers and retain customers. We are also making capital investments in new technologies to deliver new innovative capabilities to further drive sales of our strategic data and Internet services, in further automation of network functionality to enable more dynamic customer network capacity and connections and in continuing the expansion of our network in existing and adjacent markets to reach more customers.

In the three and six months ended June 30, 2013, our Modified EBITDA margin was impacted by costs associated with our growth initiatives. We expect that the higher investments and expense associated with the growth initiatives discussed above will continue to dampen our Modified EBITDA margin and cash flow in the near term until we can achieve higher service installations and an expansion in our rate of revenue growth that we expect will absorb the cost of the growth initiatives. While these initiatives are designed to increase sales in the longer term to enable us to accelerate our future revenue growth rate, we cannot assure that these and other initiatives will be sufficient to achieve our objectives of increased revenue growth, margins and cash flow or the timing of such anticipated benefits.

We believe that future margin expansion will come from higher service installations, further leveraging our on-network facilities and increasing the network density of our less mature markets, since over the long term we have generally experienced margin improvement and increased cash flow from our less dense markets as those markets are expanded through on-net building additions and other network expansions. Our continued cost efficiency efforts are also intended to contribute to our overall margins.

The expected reductions in intercarrier compensation revenue discussed above under "Revenue Trends" are also expected to pressure our margins because of the relatively high margins associated with that revenue. Our revenue and margins may also be impacted by, among other risks, competitive pressures, higher special access costs, fuel and energy costs, fluctuations in certain taxes and fees and any future inflationary pressures.

Seasonality and Fluctuations

We continue to expect business fluctuations to impact sequential quarterly trends in revenue, margins and cash flow. This includes the timing, as well as any seasonality, of sales and service installations, usage, rate changes, disputes, settlements, repricing for contract renewals and fluctuations in revenue churn, expenses, capital expenditures and certain taxes and fees. Historically, our expense in the first quarter has been impacted by the resetting of payroll taxes in the new year. Our past experience with quarterly fluctuations may not necessarily be indicative of future results.

Because we generally do not recognize revenue subject to billing disputes until the dispute is resolved, the timing of dispute resolutions and settlements may positively or negatively affect our revenue in a particular quarter. The timing of disconnections may also impact our results in a particular quarter, with disconnections early in the quarter generally having a greater impact. The timing of capital and other expenditures may affect our margins or cash flow. The convergence of any of these or other factors such as fluctuations in usage, increases or decreases in certain taxes and fees or pricing declines upon contract renewals in a particular quarter may result in our revenue growing more or less than previous trends, may impact our margins and other financial results and may not be indicative of future financial performance.

Critical Accounting Policies and Estimates

For a description of our critical accounting policies and estimates, see Item 7 in our Annual Report on Form 10-K for the year ended December 31, 2012, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Table of Contents

tw telecom inc.

Results of Operations

The following discussion provides analysis of our results of operations and should be read together with our unaudited interim condensed consolidated financial statements, including the notes thereto, appearing elsewhere in this report:

Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012

Revenue

Revenue by line of business was as follows:

(dollars in thousands)	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012	$ Change	% Change
Revenue [1]:				
Data and Internet services	$ 209,634	$ 182,480	$ 27,154	14.9 %
Voice services	93,080	91,008	2,072	2.3 %
Network services	78,487	83,009	(4,522)	(5.4)%
Intercarrier compensation	8,282	8,006	276	3.4 %
Total revenue	$ 389,483	$ 364,503	$ 24,980	6.9 %

[1] We classify certain taxes and fees billed to customers and remitted to government authorities on a gross versus net basis in revenue and expense. The total amounts classified as revenue, primarily included in voice services, associated with such taxes and fees were approximately $20.6 million and $19.8 million for the three months ended June 30, 2013 and 2012, respectively. This has no impact on Modified EBITDA or net income but is dilutive to Modified EBITDA margin.

The primary driver of total revenue growth was increased data and Internet services revenue from installed services to enterprise customers. The increase in data and Internet services revenue primarily resulted from installations of strategic Ethernet and VPN-based services and other services to enterprise customers, partially offset by revenue churn and re-pricing of renewed customer contracts at lower rates. Strategic services, which includes Ethernet and IP VPN services, comprised 54.9% of data and Internet services revenue for the three months ended June 30, 2013 compared to 52.9% for the three months ended June 30, 2012, representing 19.3% period over period growth in revenue from these services.

Voice services revenue increased primarily as a result of installations of converged and other voice services and certain taxes and fees remitted to government authorities that we classify on a gross versus net basis in revenue and expense, partially offset by revenue churn. Revenue based on the minutes of service used by customers included in voice services was 3% of our total revenue for both the three months ended June 30, 2013 and 2012.

Network services revenue decreased primarily due to revenue churn and re-pricing of renewed customer contracts at lower rates, somewhat offset by growth in high capacity and collocation services.

Intercarrier compensation revenue grew primarily as a result of dispute settlements and an increase in minutes of use originating and terminating on our network that offset the impact of an FCC-mandated rate reduction in July 2012.

Table of Contents

tw telecom inc.

Costs and Expenses

The major components of costs and expenses were as follows:

(dollars in thousands)	Three Months Ended June 30, 2013	2012	$ Change	% Change
Costs and expenses:				
Operating (exclusive of depreciation, amortization and accretion shown separately below) [1]	$ 164,131	$ 152,986	$ 11,145	7.3%
Operating expenses as percentage of total revenue	42.1%	42.0%		
Selling, general and administrative [1]	96,438	84,580	11,858	14.0%
Selling, general and administrative expenses as percentage of total revenue	24.8%	23.2%		
Depreciation, amortization and accretion	75,652	70,469	5,183	7.4%
Total costs and expenses	$ 336,221	$ 308,035	$ 28,186	9.2%
[1] Includes the following non-cash stock-based employee compensation expense:				
Operating	$ 545	$ 455	$ 90	19.8%
Selling, general and administrative	$ 7,869	$ 6,594	$ 1,275	19.3%

Operating Expenses. Our operating expenses consist of costs directly related to the operation and maintenance of our network and the provisioning of our services. These costs, which are net of capitalized labor and overhead costs on capital projects, include the salaries and related expenses of customer care, provisioning, network maintenance, technical field and network operations and engineering personnel, costs to repair and maintain our network, and costs paid to other carriers for access to their facilities, interconnection, and facilities leased and associated utilities. We carry a significant portion of our traffic on our own fiber infrastructure, which enhances our ability to minimize and control access costs, which are the costs to purchase network services from other carriers. The increase in operating expenses primarily related to higher network access costs largely as a result of revenue growth as well as higher employee-related and network maintenance costs associated both with revenue growth and our growth initiatives (as discussed under "Modified EBITDA Trends and Growth Initiatives"), partially offset by capitalized expenses.

Selling, General and Administrative Expenses. Selling, general and administrative expenses consist of salaries and related costs for employees and other expenses related to sales and marketing, bad debt, IT, billing, regulatory, administrative and legal functions. The increase in these expenses primarily related to higher employee-related costs resulting from incentive-based compensation due to expansion of our indirect sales channel and increased customer installations of service, expansion of our sales and sales support personnel and IT personnel associated both with revenue growth and our growth initiatives, annual merit-based salary increases and higher non-cash stock-based compensation expense.

Depreciation, Amortization and Accretion Expense. The increase in depreciation, amortization and accretion expense was attributable to property, plant and equipment additions during 2012 and 2013 net of fully depreciated assets.

Table of Contents

tw telecom inc.

Operating Income and Net Income

The following table provides the components from operating income to net income for purposes of the discussions that follow:

(dollars in thousands, except per share amounts)	Three Months Ended June 30, 2013	2012	$ Change	% Change
Operating income	$ 53,262	$ 56,468	$ (3,206)	(5.7)%
Interest expense	(21,544)	(21,860)	(316)	(1.4)%
Debt extinguishment costs	(399)	—	399	NM
Interest income	173	93	80	86.0 %
Income before income taxes	31,492	34,701	(3,209)	(9.2)%
Income tax expense	14,145	15,382	(1,237)	(8.0)%
Net income	$ 17,347	$ 19,319	$ (1,972)	(10.2)%
Basic income per common share	$ 0.12	$ 0.13	(0.01)	(7.7)%
Diluted income per common share	$ 0.11	$ 0.13	(0.02)	(15.4)%
Modified EBITDA [(1)(2)]	$ 137,328	$ 133,986	$ 3,342	2.5 %
Modified EBITDA margin [(1)(2)(3)]	35.3%	36.8%		

NM - Not meaningful

(1) See Note 1 under "Revenue" above.

(2) "Modified EBITDA" is a non-GAAP financial measure and is defined by us as net income (loss) before depreciation, amortization and accretion expense, interest expense, interest income, debt extinguishment costs, other income (loss), impairment charges, income tax expense (benefit), cumulative effect of change in accounting principle, and non-cash stock-based employee compensation expense. Not all of the aforementioned items occur in each reporting period, but have been included in the definition based on historical activity. Modified EBITDA is not intended to replace operating income (loss), net income (loss), cash flow and other measures of financial performance and liquidity reported in accordance with accounting principles generally accepted in the United States. Rather, Modified EBITDA is a measure of operating performance and liquidity that investors may consider in addition to such measures. Our management believes that Modified EBITDA is a standard measure of operating performance and liquidity that is commonly reported and widely used by analysts, investors, and other interested parties in the telecommunications industry because it eliminates many differences in financial, capitalization, and tax structures, as well as non-cash and non-operating charges to earnings. We believe that Modified EBITDA trends are a valuable indicator of whether our operations are able to produce sufficient operating cash flow to fund working capital needs, service debt obligations and fund capital expenditures. We currently use Modified EBITDA for these purposes. Modified EBITDA also is used internally by our management to assess ongoing operations and is a measure used to test compliance with certain covenants of our senior notes, our Revolver and our Term Loan. The definition of EBITDA under our Revolver, our Term Loan and our senior notes differs, but not materially, from the definition of Modified EBITDA used in this table. Modified EBITDA as used in this document may not be comparable to similarly titled measures reported by other companies due to differences in accounting and disclosure policies. The reconciliation between net income and Modified EBITDA, as a performance measure, is as follows:

(dollars in thousands)	Three Months Ended June 30, 2013	2012
Net income	17,347	19,319
Income tax expense	14,145	15,382
Interest income	(173)	(93)
Interest expense	21,544	21,860
Debt extinguishment costs	399	—
Depreciation, amortization and accretion	75,652	70,469
Non-cash stock-based compensation	8,414	7,049
Modified EBITDA	$ 137,328	$ 133,986

Table of Contents

tw telecom inc.

The reconciliation between net cash provided by operations and Modified EBITDA, as a measure of liquidity, is as follows:

(dollars in thousands)	Three Months Ended June 30, 2013	Three Months Ended June 30, 2012
Net cash provided by operations	124,960	114,238
Income tax expense	14,145	15,382
Deferred income taxes	(13,672)	(14,947)
Interest income	(173)	(93)
Interest expense	21,544	21,860
Discount on debt, amortization of deferred debt issue costs and other	(1,055)	(6,246)
Changes in operating assets and liabilities	(8,421)	3,792
Modified EBITDA	$ 137,328	$ 133,986

(3) Modified EBITDA margin represents Modified EBITDA as a percentage of revenue.

Interest Expense. The decrease in interest expense primarily related to the discount on the Convertible Debentures becoming fully accreted in the first quarter of 2013, partial retirement of the Convertible Debentures and the impact of the rate decrease on the Term Loan in connection with the 2013 refinancing, partially offset by interest attributable to the 2022 Notes issued in October 2012. We expect our interest expense to decrease approximately $2.0 million annually (based on the interest rate in effect as of June 30, 2013 and long-term debt as of such date) as a result of the Amendment and Restatement of our Term Loan (see "Liquidity and Capital Resources").

Debt Extinguishment Costs. Debt extinguishment costs for the three months ended June 30, 2013 resulted primarily from commissions paid on repurchases by us of the Convertible Debentures. There were no such costs for the three months ended June 30, 2012.

Income before Income Taxes. The decrease in income before income taxes resulted primarily from higher depreciation, amortization and accretion expense and non-cash stock-based compensation expense, partially offset by higher Modified EBITDA as discussed below.

Income Tax Expense. The decrease in income tax expense resulted from lower income before income taxes, partially offset by a higher effective tax rate as a result of discrete items related to stock-based compensation. Our effective tax rate in the year ended December 31, 2012 was 43%. We expect our effective tax rate for the year ended December 31, 2013 to be similar to that for the year ended December 31, 2012.

Net Income and Modified EBITDA. The decrease in net income resulted from a decrease in income before income taxes, partially offset by lower income tax expense, as discussed above. The increase in Modified EBITDA was primarily the result of revenue growth, partially offset by costs associated both with revenue growth and our growth initiatives, including increased network maintenance costs and employee-related expenses. Modified EBITDA margin declined largely due to costs associated with our growth initiatives incurred in advance of the expected future revenue growth. For the three months ended June 30, 2013 and 2012, Modified EBITDA, together with cash, cash equivalents and investments, has been sufficient to cover our capital expenditures and service our debt, and we expect to generate sufficient Modified EBITDA in the foreseeable future to cover our expected capital expenditures and debt service requirements, together with cash, cash equivalents and investments, and borrowing capacity under our existing Revolver. See Note 2 to the table under "Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012--Operating Income and Net Income" for a definition of Modified EBITDA and reconciliations of Modified EBITDA to net income, which is the most comparable GAAP measure for operating performance, and Modified EBITDA to net cash provided by operations, which is the most comparable GAAP measure for liquidity.

Table of Contents

tw telecom inc.

Six Months Ended June 30, 2013 Compared to Six Months Ended June 30, 2012

Revenue

Revenue by line of business was as follows:

(dollars in thousands)	Six Months Ended June 30, 2013	Six Months Ended June 30, 2012	$ Change	% Change
Revenue [1]:				
Data and Internet services	$ 411,716	$ 359,331	$ 52,385	14.6 %
Voice services	185,435	180,629	4,806	2.7 %
Network services	157,350	167,813	(10,463)	(6.2)%
Intercarrier compensation	16,191	15,655	536	3.4 %
Total revenue	$ 770,692	$ 723,428	$ 47,264	6.5 %

[1] We classify certain taxes and fees billed to customers and remitted to government authorities on a gross versus net basis in revenue and expense. The total amounts classified as revenue, primarily included in voice services, associated with such taxes and fees were approximately $41.2 million and $39.5 million for the six months ended June 30, 2013 and 2012, respectively. This has no impact on Modified EBITDA or net income but is dilutive to Modified EBITDA margin.

The primary driver of total revenue growth was increased data and Internet services revenue from installed services to enterprise customers. The increase in data and Internet services revenue primarily resulted from installations of strategic Ethernet and VPN-based services and other services to enterprise customers, partially offset by revenue churn and re-pricing of renewed customer contracts at lower rates. Strategic services, which includes Ethernet and IP VPN services, represented 54.7% of data and Internet services revenue for the six months ended June 30, 2013 compared to 52.5% for the six months ended June 30, 2012, representing 19.4% period over period growth in revenue from these services.

Voice services revenue increased primarily as a result of installations of converged and other voice services and certain taxes and fees remitted to government authorities that we classify on a gross versus net basis in revenue and expense, partially offset by revenue churn. Revenue based on the minutes of service used by customers included in voice services was 3% of our total revenue for both the six months ended June 30, 2013 and 2012.

Network services revenue decreased primarily due to revenue churn and re-pricing of renewed customer contracts at lower rates, somewhat offset by growth in high capacity and collocation services.

Intercarrier compensation revenue grew primarily as a result of dispute settlements and an increase in minutes of use originating and terminating on our network that offset the impact of the FCC-mandated rate reduction in July 2012.

Table of Contents

tw telecom inc.

Costs and Expenses

The major components of costs and expenses were as follows:

(dollars in thousands)	Six Months Ended June 30, 2013	2012	$ Change	% Change
Costs and expenses:				
Operating (exclusive of depreciation, amortization and accretion shown separately below) [1]	$ 325,213	$ 302,179	$ 23,034	7.6%
Operating expenses as percentage of total revenue	42.2%	41.8%		
Selling, general and administrative [1]	190,000	170,670	19,330	11.3%
Selling, general and administrative expenses as percentage of total revenue	24.7%	23.6%		
Depreciation, amortization and accretion	150,047	138,863	11,184	8.1%
Total costs and expenses	$ 665,260	$ 611,712	$ 53,548	8.8%

[1] Includes the following non-cash stock-based employee compensation expense:

Operating	$ 1,128	$ 955	$ 173	18.1%
Selling, general and administrative	$ 16,748	$ 14,222	$ 2,526	17.8%

Operating Expenses. The increase in operating expenses largely related to higher network access costs primarily as a result of revenue growth as well as higher network maintenance and employee-related costs associated both with revenue growth and our growth initiatives. Operating expenses as a percentage of revenue increased primarily as a result of higher network maintenance costs.

Selling, General and Administrative Expenses. The increase in these expenses primarily related to higher employee costs resulting from incentive-based compensation due to expansion of our indirect sales channel and increased customer installations of service, expansion of our sales and sales support personnel and IT personnel associated both with revenue growth and our growth initiatives, annual merit-based salary increases and higher non-cash stock-based compensation expense.

Depreciation, Amortization and Accretion Expense. The increase in depreciation, amortization and accretion expense was attributable to property, plant and equipment additions during 2012 and 2013 net of fully depreciated assets.

Operating Income and Net Income

The following table provides the components from operating income to net income for purposes of the discussions that follow:

(dollars in thousands, except per share amounts)	Six Months Ended June 30, 2013	2012	$ Change	% Change
Operating income	$ 105,432	$ 111,716	$ (6,284)	(5.6)%
Interest expense	(49,884)	(43,441)	6,443	14.8 %
Debt extinguishment costs	(399)	—	399	NM
Interest income	450	197	253	128.4 %
Income before income taxes	55,599	68,472	(12,873)	(18.8)%
Income tax expense	25,108	29,821	(4,713)	(15.8)%
Net income	$ 30,491	$ 38,651	$ (8,160)	(21.1)%
Basic income per common share	$ 0.20	$ 0.26	(0.06)	(23.1)%

Diluted income per common share	$ 0.20	$ 0.25	(0.05)	(20.0)%
Modified EBITDA [1][2]	$ 273,355	$ 265,756	$ 7,599	2.9 %
Modified EBITDA margin [1][2][3]	35.5%	36.7%		

Table of Contents

tw telecom inc.

NM - Not meaningful

(1) See Note 1 under "Revenue" above.

(2) See Note 2 above under "Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012--Operating Income and Net Income" for a definition of Modified EBITDA. See below for reconciliations of Modified EBITDA to net income, which is the most comparable GAAP measure for operating performance, and Modified EBITDA to net cash provided by operations, which is the most comparable GAAP measure for liquidity. The reconciliation between net income and Modified EBITDA is as follows:

	Six Months Ended June 30,	
(dollars in thousands)	2013	2012
Net income	$ 30,491	$ 38,651
Income tax expense	25,108	29,821
Interest income	(450)	(197)
Interest expense	49,884	43,441
Debt extinguishment costs	399	—
Depreciation, amortization and accretion	150,047	138,863
Non-cash stock-based compensation	17,876	15,177
Modified EBITDA	$ 273,355	$ 265,756

The reconciliation between net cash provided by operations and Modified EBITDA, as a measure of liquidity is as follows:

	Six Months Ended June 30,	
(dollars in thousands)	2013	2012
Net cash provided by operations	206,560	208,599
Income tax expense	25,108	29,821
Deferred income taxes	(24,289)	(28,977)
Interest income	(450)	(197)
Interest expense	49,884	43,441
Discount on debt, amortization of deferred debt issue costs and other	(7,850)	(12,367)
Changes in operating assets and liabilities	24,392	25,436
Modified EBITDA	$ 273,355	$ 265,756

(3) Modified EBITDA margin represents Modified EBITDA as a percentage of revenue.

Interest Expense. The increase in interest expense primarily related to the issuance of the 2022 Notes in October 2012, partially offset by the discount on the Convertible Debentures becoming fully accreted in the first quarter of 2013, partial retirement of the Convertible Debentures, a lower average balance on the Term Loan and the impact of the rate decrease on the Term Loan in connection with the 2013 refinancing.

Debt Extinguishment Costs. Debt extinguishment costs for the six months ended June 30, 2013 primarily resulted from commissions paid on repurchases of our Convertible Debentures. There were no such costs for the six months ended June 30, 2012.

Income before Income Taxes. The decrease in income before income taxes resulted primarily from higher depreciation, amortization and accretion expense, interest expense and non-cash stock-based compensation expense, partially offset by higher Modified EBITDA as discussed below.

Income Tax Expense. The decrease in income tax expense resulted from lower income before income taxes, partially offset by a higher effective tax rate as a result of discrete items related to stock-based compensation. Our effective tax rate in the year ended December 31, 2012 was 43%. We expect our effective tax rate for the year ended December 31, 2013 to be similar to that for the year ended December 31, 2012.

Net Income and Modified EBITDA. The decrease in net income resulted from a decrease in income before income taxes, partially offset by lower income tax expense, as discussed above. The increase in Modified EBITDA was primarily the result of revenue growth that was somewhat offset by costs associated with both revenue growth and our growth initiatives as discussed

Table of Contents

above. The decline in Modified EBITDA margin primarily resulted from higher network maintenance costs and employee costs as a percentage of revenue largely due to costs incurred for our growth initiatives in advance of the expected future revenue growth. For the six months ended June 30, 2013 and 2012, Modified EBITDA, together with cash, cash equivalents and investments, has been sufficient to cover our capital expenditures and service our debt. See Note 2 to the table under "Three Months Ended June 30, 2013 Compared to Three Months Ended June 30, 2012--Operating Income and Net Income" for a definition of Modified EBITDA and reconciliations of Modified EBITDA to net income, which is the most comparable GAAP measure for operating performance, and Modified EBITDA to net cash provided by operations, which is the most comparable GAAP measure for liquidity.

Liquidity and Capital Resources

Historically, we have generated cash flow from operations consisting primarily of payments received from customers for the provision of business communications services offset by payments to other telecommunications carriers, payments to employees, and payments for interest and other operating, selling, general and administrative expenses. We have also generated cash from debt and equity financing activities and have used these funds and cash flows from operations to service or repay our debt obligations, make capital expenditures to expand our network and fund acquisitions.

On July 3, 2013, we completed the redemption of the Convertible Debentures, resulting in a total use of cash for the year to date through July 3, 2013 of $553.2 million, including $0.5 million of transaction costs, to settle $373.7 million principal amount of the Convertible Debentures. Additionally, we used $227.4 million of cash as of June 30, 2013 to repurchase our common stock under the $300 million repurchase program that our Board of Directors authorized in November 2011. As of August 6, 2013, we completed the entire $300 million of stock repurchases under that program. Accordingly, on August 6, 2013, our Board of Directors authorized a new $500 million multi-year common stock repurchase program (see "Possible Future Uses of Cash" below).

At June 30, 2013, we had approximately $1.6 billion of total debt and capital lease obligations and $614.4 million of cash, cash equivalents and short-term investments compared to approximately $1.8 billion of total debt and capital lease obligations and $974.3 million of cash, cash equivalents and short-term investments at December 31, 2012. Net debt (defined as total debt and capital lease obligations less cash, cash equivalents and short-term investments) increased $246.4 million from December 31, 2012 to June 30, 2013 primarily due to repurchases of our common stock, capital expenditures, reacquisition of the equity component of the Convertible Debentures upon retirement and the net impact of the Term Loan refinancing, partially offset by cash provided by operating activities resulting from higher Modified EBITDA and net proceeds from employee stock option exercises.

Working capital, defined as current assets less current liabilities, was $330.2 million as of June 30, 2013, a decrease of $176.0 million from December 31, 2012. The decrease in working capital is primarily a result of repurchases of our common stock, capital spending and the reacquisition of the equity component of the Convertible Debentures upon retirement, somewhat offset by cash provided by operations, net proceeds from the Term Loan refinancing and net proceeds from employee stock option exercises. Our working capital ratio, defined as current assets divided by current liabilities, was 1.66 as of June 30, 2013 compared to 1.76 as of December 31, 2012.

Cash Flow Activity

Cash and cash equivalents were $420.3 million and $387.7 million as of June 30, 2013 and 2012, respectively. In addition, we had investments of $194.2 million and $144.0 million as of June 30, 2013 and 2012, respectively, which were short-term in nature and generally available to fund our operations. The change in cash and cash equivalents during the periods presented was as follows:

	Six Months Ended June 30,	
	2013	2012
	(amounts in thousands)	
Cash provided by operating activities	$ 206,560	$ 208,599
Cash used in investing activities	(220,456)	(165,628)
Cash used in financing activities	(372,567)	(8,687)
Decrease in cash and cash equivalents	$ (386,463)	$ 34,284

Operations. The decrease in cash provided by operating activities in the six months ended June 30, 2013 compared to the six months ended June 30, 2012 primarily related to changes in working capital, which were largely due to higher interest payments and the timing of collection of receivables and payments to vendors, somewhat offset by higher Modified EBITDA.

Table of Contents

tw telecom inc.

Investing. The change in cash used in investing activities in the six months ended June 30, 2013 compared to the six months ended June 30, 2012 was primarily a result of the net increase in cash used for the purchase and sale of investments in 2013 in addition to higher capital expenditures in 2013. Our balances of cash, cash equivalents and investments fluctuate over time based on our cash requirements and market interest yields. Cash used for capital expenditures for the six months ended June 30, 2013 was $187.5 million, the majority of which was for success-based spending initiatives (see "Capital Expenditures and Requirements" below) compared to $157.6 million for the six months ended June 30, 2012.

Financing. Cash used in financing activities for the six months ended June 30, 2013 primarily consisted of repurchases and settlements of conversions of Convertible Debentures of $256.3 million (including $0.5 million of transaction costs), repurchases of $197.3 million of our common stock, withholding taxes paid by us on behalf of employees in net share settlements of restricted stock of $18.3 million and payments of $2.1 million on the Term Loan and capital lease obligations, partially offset by proceeds of $50.9 million from exercises of stock options and net proceeds of $49.7 million from the Term Loan refinancing. Cash used in financing activities for the six months ended June 30, 2012 primarily consisted of repurchases of $11.5 million of our common stock, withholding taxes paid by us on behalf of employees in net share settlements of restricted stock of $10.0 million and payments of $3.7 million on the Term Loan and capital lease obligations, partially offset by proceeds of $15.8 million from exercises of stock options.

In April 2013, we refinanced our outstanding $461.8 million term loan due December 2016 and replaced an undrawn $80 million revolving credit facility expiring December 2014 with a new senior secured credit facility consisting of a $520 million Term Loan due April 2020 and an undrawn $100 million Revolver expiring April 2018. Interest and payments on the Term Loan and Revolver, if drawn, are as follows:

- Repayments of the Term Loan are due quarterly in an amount equal to 1/4 of 1% of the aggregate principal amount on the last day of each quarter commencing September 30, 2013. Interest on the Term Loan is computed based on a specified Eurodollar rate plus 2.5%. Interest is reset periodically and payable at least quarterly. Based on the Eurodollar rate in effect at June 30, 2013, the effective interest rate was 2.70%.

- Interest on outstanding amounts under the Revolver, if any, will be computed based on a specified Eurodollar rate plus 1.75%-2.75% and will be reset periodically and payable quarterly. The Company is required to pay a commitment fee on the undrawn commitment amounts on a quarterly basis of 0.375%-0.5% per annum. The new senior secured credit facility contains customary affirmative and negative covenants. Most of the Revolver covenants apply whether or not we draw on that facility. In addition, if the Revolver were drawn, certain financial maintenance covenants would apply.

During the six months ended June 30, 2013, we settled in cash $177.2 million principal amount of the $373.7 million outstanding principal amount of Convertible Debentures as of December 31, 2012 for $255.8 million as a result of our repurchases and conversions by holders of the Convertible Debentures. On July 3, 2013, we settled the remaining $196.5 million principal amount of the Convertible Debentures for approximately $296.9 million in cash as a result of conversions by holders of the Convertible Debentures. We also used $0.5 million in cash for transaction costs associated with the retirement of the Convertible Debentures.

As of June 30, 2013 and after giving effect to the retirement of the remaining outstanding Convertible Debentures on July 3, 2013, we had the following indebtedness outstanding or available:

Instrument	Principal Amount Outstanding	Aggregate Annual Estimated Interest Payments
	(amounts in thousands)	
8% Senior Notes due 2018	$ 430,000	$ 34,400
Term Loan, Eurodollar rate + 2.5% due 2020 [1]	520,000	14,040
5 3/8% Senior Notes due 2022	480,000	25,800
Undrawn $100 million Revolver expires 2018 [2]	—	—

(1) The aggregate annual estimated interest payments are based on the principal amount outstanding and the effective interest rate of 2.70% at June 30, 2013.

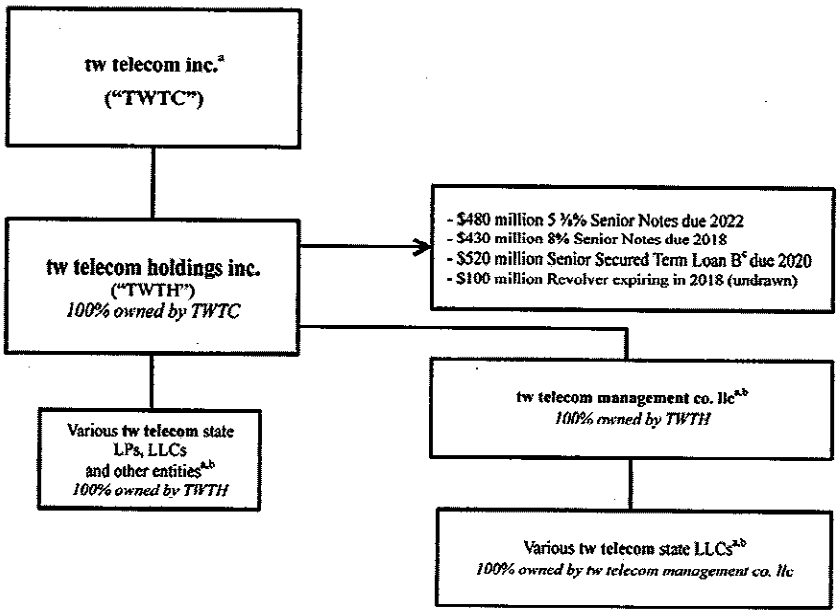
(2) Interest on outstanding amounts, if any, will be computed on a specified Eurodollar rate plus 1.75%-2.75% and will be

reset periodically. We are required to pay a commitment fee on the undrawn commitment amounts on a quarterly basis of 0.375%-0.5% per annum.

Table of Contents

tw telecom inc.

The following diagram summarizes our corporate structure in relation to our outstanding indebtedness and credit facility, including our undrawn revolver, as of June 30, 2013 and after giving effect to the retirement of the remaining outstanding Convertible Debentures on July 3, 2013, which is not reflected on the condensed consolidated balance sheet as of June 30, 2013. The diagram does not depict all aspects of the ownership structure among the operating and holding entities, but rather summarizes the significant elements relative to our debt in order to provide a basic overview.



a TWTC and substantially all of these subsidiaries guarantee the 2018 and 2022 Notes on an unsecured basis and the Revolver and the Term Loan on a secured basis.

b The assets and equity interests of these subsidiaries are pledged to secure the Revolver and the Term Loan.

c The Term Loan matures in April 2020. The principal amount is reduced by quarterly principal payments.

Capital Expenditures and Requirements

Our total capital expenditures were $191.8 million for the six months ended June 30, 2013 compared to $159.9 million for the same period in 2012, with the majority of capital expenditures in each period for what we deem success-based opportunities that were linked to new installations and capacity requirements. Success-based spending generally consists of short-to-medium length capital projects, in terms of anticipated time between capital spending and return on investment, driven by customer opportunities. The increase in capital expenditures over the prior year period primarily resulted from higher success-based spending for building entries and network capacity as well as an increase in investments to support our new service development and other technology initiatives.

In each of the years ended 2005 through 2012, over 75% of our total annual capital expenditures, excluding capital expenditures for integration and branding, were for success-based opportunities. This includes costs to connect to new customer locations with our fiber network and increase capacity in our network, IP backbone enhancements, collocation facility expansion and central office infrastructure to serve growing customer demands. These types of expenditures often fluctuate as our volume of sales and service installations increases or decreases.

For the full year 2013, we expect total capital expenditures of approximately $370 million to $380 million (see "Capital Resources" below for discussion of anticipated funding sources). We expect the majority of this amount to be related to success-based opportunities and the balance to be primarily for investments in new service development, other technology initiatives and network expansion. Included in our expected capital expenditures are amounts we must spend to replace older network components, especially electronics, that we expect will continue to grow over time. We expect quarterly fluctuations in

our capital spending due to the timing of large projects and other external factors such as customer readiness, permitting and weather. We generally do not make long-term commitments for capital expenditures and have the ability to adjust our capital expenditures if our cash from operations is lower than anticipated or in response to a change in demand.

Table of Contents

tw telecom inc.

Capital Resources

Based on current assumptions, we expect to generate sufficient cash from operations along with available cash on hand (including cash equivalents and investments) and borrowing capacity under our undrawn Revolver to provide sufficient funds to meet our expected capital expenditure and liquidity needs to operate our business and service our debt for the foreseeable future. However, if our assumptions prove incorrect or if there are other factors that negatively affect our cash position such as material unanticipated losses, a significant reduction in demand for our services, an acceleration of customer disconnections, or other adverse factors, or if we make acquisitions, enter into joint ventures or repurchase additional shares of our common stock, we may need to seek additional sources of funds through financing or other means. There is no assurance that other sources of financing on acceptable terms will be available in the future. Other risks, such as a rating downgrade on our debt or adverse debt market conditions, could further impact our potential access to or the cost of financing sources.

Our ability to draw upon the available commitments under our Revolver is subject to compliance with all of the covenants contained in the credit agreement and our continued ability to make certain representations and warranties. In the case of the Revolver, the covenants include financial maintenance covenants, such as leverage and interest coverage ratios and limitations on capital expenditures that are primarily derived from Modified EBITDA and debt levels. We are required to comply with these ratios as a condition to any borrowing under the Revolver and for as long as any loans are outstanding under the Revolver. The representations and warranties include the absence of liens on our properties other than certain permitted liens, the absence of litigation or other developments that have or could reasonably be expected to have a material adverse effect on us and our subsidiaries as a whole, and continued effectiveness of the documents granting security for the loans.

A lack of revenue growth or an inability to control costs could negatively impact Modified EBITDA and cause our failure to meet the required minimum ratios under the Revolver if we have loans outstanding under the Revolver or wish to draw on it. Although we currently believe that we will continue to be in compliance with the covenants, various factors, including deterioration of the economy, increased competition and pricing pressure and loss of revenue from significant customers, an acceleration of customer disconnections, a significant reduction in demand for our products without adequate reductions in capital expenditures and operating expenses or an uninsured catastrophic loss of physical assets or other risk factors could cause us to fail to meet our covenants. If our revenue growth is not sufficient to sustain the Modified EBITDA performance required to meet the debt covenants described above, and we have loans outstanding under the Revolver or wish to draw on it, we would have to consider cost cutting or other measures to maintain required Modified EBITDA levels or to enhance liquidity.

The Revolver, Term Loan, 2018 Notes and 2022 Notes limit our ability to declare cash dividends, incur indebtedness, incur liens on property and undertake acquisitions, among other things. The Revolver, Term Loan, 2018 Notes and 2022 Notes also include cross default provisions under which we are deemed to be in default if we default under any of the other material outstanding obligations. If we are in default under any of the covenants under the Term Loan and Revolver, we also could potentially be subject to an acceleration of the repayment date of the Term Loan and the Revolver if we have borrowed under that facility. Covenant defaults under the credit agreement for the Revolver and Term Loan also may constitute an event of default under the indenture for the 2018 Notes and 2022 Notes. In addition, the lenders under the Revolver may require prepayment of outstanding revolving loans if a change of control and ratings decline occurs as defined in the credit agreement. We are required to offer to prepay the 2018 Notes, 2022 Notes and the Term Loan on an individual basis if a change of control and a debt rating decline occur as defined in the indenture for the 2018 Notes, 2022 Notes and the Term Loan agreement. If we do not comply with the covenants under the Revolver, we would not be able to draw funds under the Revolver, outstanding revolving loans could be accelerated or the lenders could cancel the Revolver unless the respective lenders agree to further modify the covenants. As of June 30, 2013, we were in compliance with all of our debt covenants.

Possible Future Uses of Cash. In order to reduce future cash interest payments, as well as future amounts due at maturity or mandatory redemption and reduce our leverage, we or our affiliates may, from time to time, enter into interest rate swap agreements or purchase or redeem our outstanding 2018 Notes or 2022 Notes for cash in the open market or privately negotiated transactions or engage in other transactions to reduce the principal amount of outstanding 2018 Notes or 2022 Notes. Under the terms of our Revolver (as amended in April 2013), which is more restrictive than our Term Loan and the indenture for the 2018 Notes and 2022 Notes, we currently may repurchase a portion of our 2018 Notes or 2022 Notes if the sum of our cash and equivalents and availability under our Revolver is a minimum of $200 million after giving effect to the repurchase, we do not use the Revolver proceeds for this purpose and we meet certain other conditions.

In November 2011, our Board of Directors authorized a multi-year repurchase program of up to $300 million of our

common stock, of which approximately $227.4 million was repurchased as of June 30, 2013. We repurchased an additional $72.6 million of our common stock subsequent to June 30, 2013 through August 6, 2013 for a total of $278.0 million repurchased year to date through August 6, 2013, completing the $300 million share repurchase program. On August 6, 2013, our Board of Directors authorized a new $500 million multi-year common stock repurchase program. This authorization does not have an expiration date, but can be withdrawn by the Board at any time. Our Revolver, as amended in April 2013, permits

Table of Contents

repurchases of our common stock up to $250 million from April 17, 2013 to December 31, 2013, and thereafter $250 million annually in the aggregate if after the transaction the sum of our cash and cash equivalents and availability under our Revolver is a minimum of $200 million, we have not used that basket for other permissible purposes, including dividend payments, and we meet certain other conditions. Up to $100 million of this permitted amount that remains unused in any fiscal year may be carried over and used in the immediately succeeding calendar year for permissible purposes. This test under the Revolver is more restrictive than our other debt agreements. For the full year 2013, the Revolver covenants permitted a maximum amount of $331.5 million in share repurchases, of which $53.5 million remained unused as of August 6, 2013.

We may consider repurchasing additional shares of our common stock in public or private transactions or may consider paying dividends to the extent permitted by our debt covenants. We may also consider merger and acquisition opportunities that could impact our cash usage. Additionally, we may increase our leverage for these purposes. We will evaluate any such transactions in light of market conditions, taking into account our liquidity and prospects for access to capital, benefits to us of any such transaction and contractual constraints. After giving pro forma effect to the common stock repurchases and settlement of the Convertible Debentures that occurred after June 30, 2013, cash, cash equivalents and short-term investments totaled $245 million. We generally expect to maintain approximately $300 million in cash, cash equivalents and short-term investments in order to provide ongoing liquidity and flexibility for other operating and strategic initiatives. The actual balance of cash, cash equivalents and short-term investments will depend on the timing of collections, disbursements, our business operations in general and any financing activities we may undertake and may fluctuate from quarter to quarter.

Risk Management. As of June 30, 2013, our cash, cash equivalents and short-term investments were held in financial institutions, prime money market mutual funds, U.S. Treasury money market mutual funds, certificates of deposit, commercial paper and debt securities issued by the U.S. Treasury and other U.S. government agencies. Although we actively monitor the depository institutions and the performance and quality of our investments and the mutual funds that hold our cash and cash equivalents, we are exposed to risks resulting from deterioration in the financial condition or failure of financial institutions holding our cash deposits, decisions of our investment advisors and the investment managers of the money market funds and defaults in securities underlying the funds and investments. We prioritize safety over investment return in choosing the investment vehicles for cash, cash equivalents and investments and have diversified these investments to the extent practical in an effort to minimize our exposure to any one investment vehicle or financial institution. We may change the nature of our cash, cash equivalent and short-term investments as market conditions change.

Off-Balance Sheet Arrangements. As of June 30, 2013, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of SEC Regulation S-K.

Commitments. Our long-term commitments have not materially changed from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2012, except for the increase in the principal amount of our Term Loan to $520 million, the extension of the maturity date for the Term Loan to April 2020 and retirement of the outstanding $373.7 million principal amount of our Convertible Debentures.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2012. Our exposures to market risk have not changed materially since December 31, 2012.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 as of June 30, 2013 and concluded that our disclosure controls and procedures were effective as of that date. Management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

tw telecom inc.

Part II. Other Information

Item 1. Legal Proceedings

We are party to various claims and legal and regulatory proceedings in the ordinary course of business. We do not believe that these claims or proceedings, individually or in the aggregate, are material or will have a material adverse effect on our business, financial condition or results of operations.

Item 1A. Risk Factors

There have been no material changes to the risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2012, except for the following:

Claims of infringement of intellectual property and proprietary rights of others, primarily involving patent infringement claims, could prevent us from using technology necessary to provide services or subject us to expensive intellectual property litigation or monetary penalties, which could have an adverse effect on our business, financial condition or results of operations.

Some of our services use intellectual property that we have developed. Our network, services and back office also use equipment and software that we purchase or license from suppliers, which use their intellectual property. As is common in our industry, we and some of our suppliers have received, and may receive in the future, assertions and claims from third parties that the products or software that we or our suppliers use infringe on the patents or other intellectual property rights of these third parties. If technology that we use in the provision of our services were determined by a court to infringe a patent or other intellectual property right held by another party, we could be precluded from using that technology, be required to pay significant monetary damages or be required to pay significant royalties to such party to continue to use such technology in the future. We may have to incur substantial attorneys' fees and costs defending claims that may be asserted against us.

Any litigation to determine the validity of claims that our services, network or processes infringe intellectual property rights of another, regardless of their merit or resolution, could be costly and divert the effort and attention of our management and technical personnel. Regardless of the merits of any specific claim, we may not prevail in litigation because of the complex technical issues and inherent uncertainties in intellectual property litigation. Although we generally seek to obtain indemnification agreements from vendors that provide us with technology, a claim of infringement may not be indemnified and we may not be able to recover all or any of our losses and costs under any available indemnity agreements. Further, if a claim involves technology that we developed, there may be no indemnification agreement that is applicable. A claim of infringement of intellectual property and proprietary rights of others that prevents us from using technology necessary to provide our services, or subjects us to expensive intellectual property litigation or monetary penalties, could have an adverse effect on our business, financial condition or results of operations.

We could repurchase shares of our common stock at price levels that could prove to be less advantageous than intended.

In November 2011, our Board of Directors authorized a share repurchase program, allowing us to repurchase up to $300 million of our common stock from time to time, using a variety of methods. As of August 6, 2013, we had completed the $300 million repurchase program at an average price per share of $26.84. On August 6, 2013, our Board of Directors authorized a new $500 million share repurchase program. Our new repurchase program does not have an expiration date, but can be withdrawn by our Board at any time. During 2013, we have been active in repurchasing shares of our common stock and may, depending on our capital allocation strategy, market conditions, and other factors, continue to repurchase shares of our common stock as we seek to return value to shareholders. The prices we pay for share repurchases are based on our best judgment of a variety of factors affecting valuation at the time of the repurchase, including, but not limited to, then current market conditions. However, market conditions and other factors outside of our control can change quickly, with the potential to cause the market price of our shares to decrease, possibly significantly. At any time we choose to repurchase our shares, there is a risk that the market price could decrease in the future. If the market price of our shares were to decrease below the average price that we paid to repurchase our shares during a particular period, it may appear in retrospect that the prices previously paid for our shares were disadvantageous, and the repurchases may prove to be a less efficient use of our capital than we originally anticipated.

Table of Contents

tw telecom inc.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents our purchases of equity securities reportable during the three months ended June 30, 2013:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[1]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs[1]
April 1 - April 30, 2013	1,516,437	$ 26.38	1,516,437	$ 178,028,915
May 1 - May 31, 2013	1,455,561	28.17	1,455,561	137,028,936
June 1 - June 30, 2013	2,276,000	28.32	2,276,000	72,573,963
Total	5,247,998		5,247,998	

(1). On November 16, 2011, our Board of Directors authorized a multi-year repurchase program of up to $300 million of our common stock from time to time using a variety of methods, including open market purchases, block trades and privately negotiated transactions. Our open market purchases may be carried out pursuant to a pre-established trading plan under Rule 10b5-1 under the Securities Exchange Act of 1934. The authorization has no time limit, and may be suspended or discontinued at any time. As of June 30, 2013, approximately $72.6 million remained available under the authorization, which was repurchased subsequent to June 30, 2013 through August 6, 2013 completing the $300 million share repurchase program. On August 6, 2013, our Board of Directors authorized a new $500 million multi-year common stock repurchase program. This authorization does not have an expiration date, but can be withdrawn by our Board of Directors at any time.

Item 6. Exhibits

The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this report and the Exhibit Index is incorporated herein by reference.

Table of Contents

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

tw telecom inc.

Date: August 8, 2013

By: /s/ JILL R. STUART

Jill R. Stuart
Sr. Vice President, Accounting and Finance
and Chief Accounting Officer

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1 –	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007)*
3.2 –	Certificate of Amendment to Restated Certificate of Incorporation of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008)*
3.3 –	Amended By-laws of the Company (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012)*
4.1 –	Indenture dated March 17, 2010 among **tw telecom holdings inc., tw telecom inc.,** the Subsidiary Guarantors parties thereto and Wells Fargo Bank, National Association, as Trustee for the 8% Senior Notes due 2018 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated March 17, 2010)*
4.2 –	Indenture, dated as of October 2, 2012, among **tw telecom holdings inc., tw telecom inc.**, the Subsidiary Guarantors parties thereto and Wells Fargo Bank, National Association, as Trustee, for the 5 3/8% Senior Notes due 2022 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 4, 2012) *
4.3 –	Second Amended and Restated Credit Agreement dated as of April 17, 2013, among the Company, **tw telecom holdings inc.**, the Subsidiary Guarantors parties thereto, the lenders parties thereto and Wells Fargo Bank, National Association, as administrative agent (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 18, 2013).*
4.4 –	Certification of Designations of Series A Junior Participating Preferred Stock of tw telecom inc. (filed as Exhibit 4.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009)*
4.5 –	Indenture dated March 29, 2006, between Time Warner Telecom Inc. and Wells Fargo Bank, National Association, as Trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)*
4.6 –	First Supplemental Indenture dated March 29, 2006 between Time Warner Telecom Inc. and Wells Fargo Bank, National Association, creating 2.375% Convertible Senior Debentures due 2026 (filed as Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006)*
10.1 –	Amended and Restated Employment Agreement, dated June 18, 2013, between the Company and Tina Davis
10.2 –	Second Amended and Restated Change of Control Employment Agreement, dated June 18, 2013, between the Company and Tina Davis
31.1 –	Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 –	Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 –	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Table of Contents

Exhibit Number	Description of Exhibit
32.2 –	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS –	XBRL Instance Document
101.SCH –	XBRL Taxonomy Extension Schema Document
101.CAL –	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF –	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB –	XBRL Taxonomy Extension Label Linkbase Document
101.PRE –	XBRL Taxonomy Extension Presentation Linkbase Document

* Incorporated by reference.

tw telecom data services llc

Attachment D

Technical Qualifications

Overview

tw telecom inc. (parent company of **tw telecom data services llc**) is a leading national provider of managed network services, specializing in business Ethernet, data networking, converged, IP based virtual private network or "IP VPN", Internet access, voice, including voice over Internet Protocol or "VoIP", and network security services to enterprise organizations, including public sector entities, and carriers throughout the U.S., including their global locations. Our revenue is derived from business communication services, including data, high-speed Internet access, network and voice services. Our customers include, among others, enterprise organizations in the financial services, technology and scientific, health care, distribution, manufacturing and professional services industries, public sector entities, system integrators and communications service providers, including ILECs, CLECs, wireless communications companies and cable companies. Through our subsidiaries, we serve 75 U.S. metropolitan markets with our extensive fiber facilities that are connected by our regional fiber facilities and national IP backbone. As of December 31, 2012, our fiber network spanned approximately 29,000 route miles (including approximately 22,000 metropolitan route miles), connecting to 17,948 buildings served directly by our local fiber facilities. Our fiber networks also connect to over 400 key third party data centers across the country where customers deploy their own equipment or connect to cloud service providers. We continue to extend our fiber footprint within our existing markets by connecting our network into additional locations and to expand our data, voice and IP networking capabilities between our markets, supporting secure end-to-end business Ethernet, IP VPN and converged solutions for customers.

Network and Facilities

Our integrated network infrastructure combines physical fiber assets and equipment with software-enabled or "logical" capabilities that provide a cost effective platform for the layering of our services and enables us to manage our customers' needs and to scale our customer service support. Our local, regional and national network utilizes advanced architectures and technologies to deliver high capacity, scalable and resilient network services. Our local markets are interconnected through our IP backbone utilizing multiple standard protocols and operate on fully redundant routers which enable us to deliver services between markets and to the public Internet.

We have designed and constructed our integrated network infrastructure over fiber rings generally using path diversity equipped with electronics that automatically re-route service if a network impairment such as a fiber cut occurs. Our integrated network supports our customers' application needs through business Ethernet services using state of the art network equipment or optical networking services, leveraging DWDM or SONET technology.

Our VoIP services utilize our packet-based soft switches and media gateways located in our local markets. This equipment is smaller and more cost effective than traditional PSTN end office switches. Our soft switches are interconnected using a VoIP enabled, private IP backbone that operates on our integrated network. Our VoIP network architecture also supports complex disaster recovery services for customers having mission critical voice requirements.

Our integrated network assets and architecture provide the foundation for evolving advanced capabilities that we refer to as the "Intelligent Network." Through the evolution of these capabilities, we are providing customers with the ability to manage their own network services using decision making tools, including network performance information obtained through Enhanced Management and flexible capacity, and planned service offerings to enable customers real time control over the prioritization of their traffic on their services, either manually through our customer portal or using automation through application program interfaces.

Local Market Technical Overview

We serve our customers from central offices that are strategically positioned throughout our local markets. The central offices house the network equipment needed to interconnect customers with each other and with other local exchange, Internet and Ethernet networks. We deploy Ethernet switches, routers, soft switches, media gateways and other electronic network devices in our central offices that are generally configured with redundant electronics and power supplies capable of automatically switching to

backup equipment in the event of hardware impairments or failures. This redundancy provides protection to our customers and helps reduce the incidence of service interruptions. We also install and manage our electronics on our customers' premises to interface with their communications equipment.

Our network is interconnected with multiple ILECs and other carriers for transport and voice services, and our network backbone is connected directly with several external networks to increase our network reach and access. We provide IP VPN service to international locations through arrangements with international network providers and provide a converged VPN solution to our customers' locations outside of our network through the use of facilities provided by other carriers. We have peering and transit connections with external network vendors that provide our customers exit points from our network to the public Internet. We also have voice peering connections to exchange voice services and features using VoIP-related protocols that are more efficient and offer more capacity and resiliency than traditional TDM trunking connections.

Fiber Lease and License Agreements

We provide a substantial portion of our services entirely on fiber network facilities that we constructed, purchased from other providers or obtained through acquisitions. We also license fiber network facilities through indefeasible rights of use agreements or other similar long term licensing or leasing arrangements (collectively "IRUs") from other fiber providers. Similarly, our Capacity License Agreements with Time Warner Cable, Comcast Corporation and Bright House Networks, LLC (collectively, the "Cable Operations"), provide us with an exclusive right to use all of the capacity of specified fiber-optic cable owned by the Cable Operations in 23 markets for a term that expires in 2028. The Capacity License Agreements do not restrict us from constructing or licensing fiber-optic capacity from other parties in the markets where we license fiber network facilities from the Cable Operations.

Network Monitoring and Management

We provide a single point of contact for our customers and consolidate our systems support and technical expertise for management of our customer and internal networks at our two network operations centers in metropolitan locations near Denver, Colorado and St. Louis, Missouri. These two centers offer capability for redundancy and overlap coverage for our customer networks. We provide 24 hours per day, 7 days a week surveillance and monitoring of networks to achieve a high level of network reliability and performance. Network analysts monitor real-time alarm, status, and performance information for network and customer services, which allows us to react swiftly to repair network or service trouble. We continue to enhance our capabilities and programs that focus on network health and stability and enable us to address network issues before they impact our customers.

Information Technology Solutions

We focus our efforts on creating and deploying applications, systems and technology that optimize our business and increase operational scale through the use of automation and customer self-service portals. We have invested in applications and systems that increase our workforce productivity and decrease manual touch points. This strategy has also enhanced our ability to manage our customers' experience and increased the ease of doing business with us by making information available to our customers in a unified and comprehensive way. We blend the purchase of proven, commercially available software that can be tailored to our business processes, and in-house developed applications that conform to our architectural framework. We select systems that are flexible enough to conform to a rapidly changing environment, while being scalable and easily maintained and enhanced. We continue to evaluate and implement new technologies and applications to further enhance the integration of our enterprise applications so that data flows efficiently and accurately between applications and manual touch points are minimized. Our systems utilize open system standards and architectures, allowing interoperability with third party systems and applications.

Information Systems Infrastructure

We have established a dedicated security team to proactively address the security of our networks and internal and customer-facing systems, employing state of the art systems to detect and protect against intrusions. We also engage all of our employees in our security program though training and communication. The security team also provides input into our new service development process.

Network Development and Application Laboratory
We have a laboratory that is equipped with advanced systems and equipment, including those we use in the operation of our network. The technology lab is designed to provide a self-contained testing and integration environment for the purposes of:

- Verifying the technical and operational integrity of new equipment prior to installation in the network;
- Developing new services and applications;
- Providing a realistic training environment for technicians, engineers, and others;
- Providing a network simulation environment to assist in fault isolation and recovery; and
- Providing a network simulation environment to verify network load, scale, and overlay of our products and services.

Billing Systems
We utilize a single billing system that is interfaced directly into our operational support systems and financial systems for all of our services other than intercarrier compensation. This integrated billing environment increases customer bill accuracy and customer satisfaction. The billing system software is licensed from a billing vendor that develops feature enhancements for us as needed and handles the daily support and maintenance of the system, which operates on our computing hardware. We also utilize a usage collection and management application that gathers network services billing events and usage while creating a real time seamless stream of information that not only provides higher precision usage measurement and revenue tracking, but also provides the foundation for the Intelligent Network services billing.

tw telecom data services llc

Attachment E

Biographies of Executive Team

our management team

Our experienced and successful management team is committed to your communications needs. Meet them here:

Larissa L. Herda, Chairman and Chief Executive Officer

Ms. Larissa Herda took the helm of **tw telecom inc.**, formerly Time Warner Telecom Inc., as CEO and President, on June 19, 1998. She was elected Chairman of the **tw telecom inc.** Board of Directors effective June 7, 2001, and currently holds the title of Chairman and CEO. Ms. Herda served as the company's Senior Vice President of Sales and Marketing from March 1, 1997 until her appointment as chief executive.

Under Ms. Herda's direction, **tw telecom** grew from $26 million in revenue in 1996 to $1.5 Billion in 2012; expanded its broadband network footprint from 17 U.S. markets to 80; built a national IP backbone recognized as one of the top 10 most connected IP networks in the world; introduced comprehensive data, voice, Internet and national Ethernet products and made three acquisitions totaling over $1.2B -- a regional Internet service provider and two competitive local metro carriers. Ms. Herda has raised more than $8.5 billion in the public and private debt markets, including a $290 million IPO, since becoming **tw telecom** President and CEO.

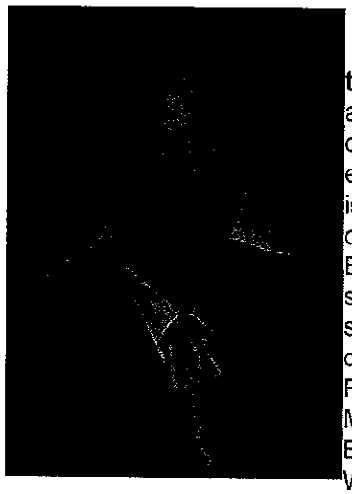
Ms. Herda is a member of the President's National Security Telecommunications Advisory Committee (NSTAC), and chair of the FCC's Communications, Security, Reliability and Interoperability Council (CSRIC). She is also chairman of the board of the Denver Branch of the Federal Reserve of Kansas City. Larissa served as a member of the Colorado Innovation Network advisory board, appointed by Colorado Gov. John Hickenlooper. The board's mission is to promote collaboration among Colorado's private, public and academic organizations and to stimulate growth, help create jobs and attract new businesses.

Recognized for her business efforts and leadership in the community, Ms. Herda was named Ernst & Young Entrepreneur of the Year for the Rocky Mountain Region and the Denver Business Journal's CEO of the Year and Outstanding Woman in Business. In addition, she was named Telecom Executive of the Year by the Denver Telecom Professionals. She also received the Women of Distinction Award from the Girl Scouts of America.

Ms. Herda served as a member of the board of directors at the Leeds School of Business at the University of Colorado for eight years and is currently a member of the school's advisory board for the Center for Education in Social Responsibility (CESR). She is a member of The Committee of 200 and a member of the community advisory board of SungateKids, a local children's advocacy center helping abused children and their families.

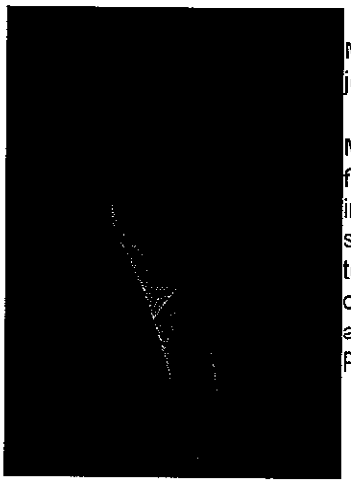
Ms. Herda is a graduate of the University of Colorado, Boulder.

John T. Blount



John T. Blount was promoted to President and Chief Operating Officer of **tw telecom inc.** in January 2014. He was appointed COO in June 2005 and responsible for oversees the Company's business goals, sales, operations, and technology including **tw telecom**'s accelerated market expansion and the launch of its Intelligent Network capabilities. Mr. Blount is also recognized for his leadership in product innovation and creating a customer experience admired in the industry. , Previously, he was Executive Vice President of Field Operations and was responsible for significant enterprise growth and implementation of **tw telecom**'s Internet strategy and data product portfolio. From 1998 to 2000, Mr. Blount was the company's Senior Vice President – Sales. From January 1997, he was Regional Vice President for the Midwest and Southwest regions; and Milwaukee's Vice President and General Manager from January 1996. Before joining the company, Mr. Blount held various sales positions at US WEST, starting in 1988, including Director of Sales for US WEST Enterprise in Minneapolis, and Sales and Service Manager for South Dakota. He is a graduate of the University of Nebraska, Lincoln.

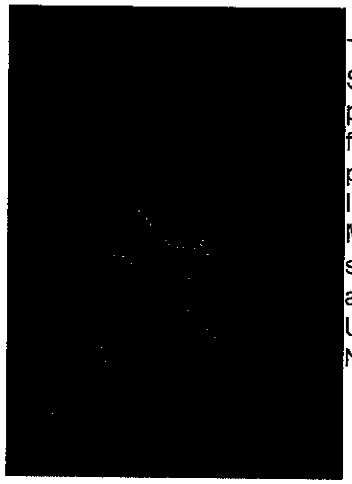
Mark A. Peters



Mark A. Peters is Executive Vice President and Chief Financial Officer. He joined **tw telecom** in 1998 and became CFO in 2005.

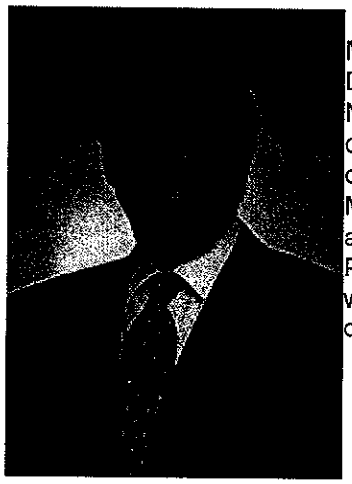
Mr. Peters is responsible for the company's finance functions, including tax, financial planning, treasury, accounting, capital allocation, procurement, internal audit, and investor relations. Mr. Peters' prior experience includes serving in executive financial positions at public and private telecommunications, Internet, and wireless service providers. Early in his career, Mr. Peters was a Certified Public Accountant at an independent accounting firm and was an internal auditor at a large media company. Mr. Peters is a graduate of the University of South Dakota.

Tina A. Davis



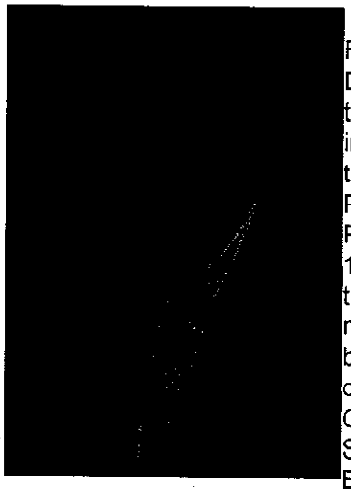
Tina Davis is Senior Vice President, General Counsel as well as Corporate Secretary and Chief Compliance Officer for **tw telecom inc.** Ms. Davis previously served as Senior Vice President and Deputy General Counsel for the company. Prior to joining the company, Ms. Davis held various legal positions at U S WEST, Inc., including General Counsel of TeleWest International, a joint venture between U S WEST and TCI. Prior to that, Ms. Davis was a partner in the law firm of Mayer, Brown and Platt, specializing in corporate finance, securities and mergers and acquisitions. Ms. Davis earned a Bachelor of Arts degree from Washington University in St. Louis, MO and a Juris Doctorate degree from Northwestern University School of Law.

Michael A. Rouleau



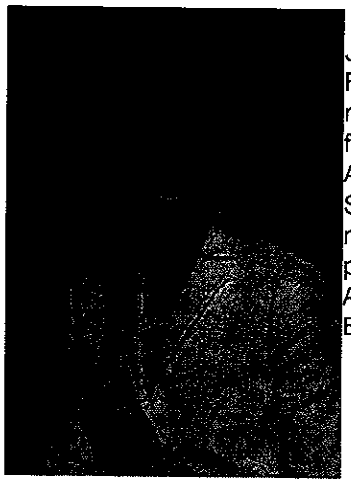
Michael A. Rouleau serves as Senior Vice President – Business Development and Regulatory Policy and has been with **tw telecom** since November 1999. His extensive experience in the telecom and data communications industries resulted in the successful implementation and delivery of many advanced and innovative products. In his current position, Mr. Rouleau is responsible for developing **tw telecom**'s strategic direction and integrating new services and technologies over the next several years. Prior to joining the company, he spent 15 years with US WEST where he was responsible for the development, deployment and management of data, Internet, and DSL businesses.

Robert W. Gaskins



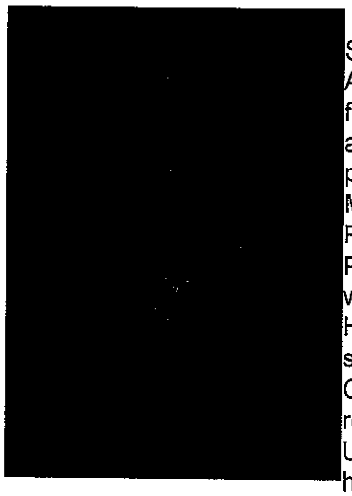
Robert W. Gaskins has served as Senior Vice President – Corporate Development and Strategy since January 2003. In this role, he oversees the development of strategic business opportunities for the company, including all merger and acquisition activities. Mr. Gaskins has been with the company since its inception in 1993, previously serving as Vice President of Corporate Development from 2001 through 2002; Vice President of Operations Planning, Development and Implementation from 1998 through 2000; and Vice President of New Operations from 1993 through 1997. He previously held various financial and accounting management positions with Time Warner Cable from 1979 to 1993. He began his career in public accounting and holds an inactive CPA certification. Mr. Gaskins is a graduate of the University of Southern California (Marshall) School of Business, where he earned a Bachelor of Science degree in Business Administration (Finance) and a Master of Business Taxation degree.

Jill R. Stuart



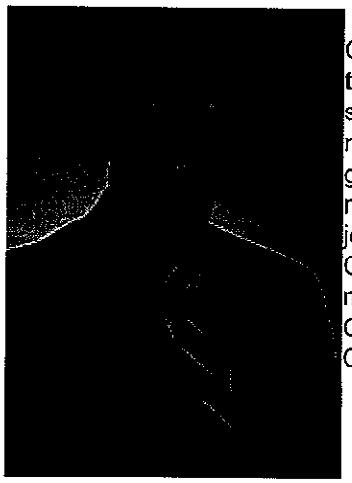
Jill R. Stuart was appointed Senior Vice President – Accounting and Finance and Chief Accounting Officer in April 2005. Ms. Stuart is responsible for all aspects of accounting, financial reporting, analysis and financial business intelligence. Prior to then, she was Vice President Accounting and Finance and Chief Accounting Officer since 1998. Ms. Stuart joined the company in 1994 with more than 10 years of financial management experience with communications and cable companies, and previous to that she was a Certified Public Accountant with a Big 4 Public Accounting firm. Ms. Stuart is a graduate of Ferris State University with a Bachelor of Science degree in Accountancy.

Steve Hardardt



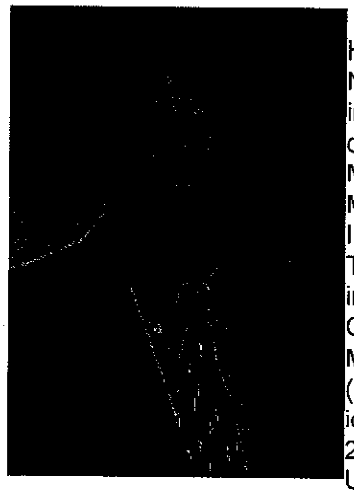
Steve Hardardt is Senior Vice President – Human Resources and Business Administration and joined **tw telecom** in 2007. Mr. Hardardt is responsible for all people-related functions including talent management, total rewards and organizational effectiveness, as well as facilities management and physical security. Prior to joining **tw telecom**,
Mr. Hardardt was employed by Johns Manville Corporation as Vice President – Human Resources and Communications for their Building Products Division. Previously, he held Human Resources leadership roles with several industry leading companies including Honeywell, Monsanto, Hasbro, Frito-Lay and Dow Jones & Company. Mr. Hardardt's community service includes his role as Board Chairman for Metro Denver Partners, a Colorado-based organization providing at-risk youth mentoring and gang rescue services, as well as a guest lecturer at the University of Colorado, University of Denver and Colorado State University. Mr. Hardardt earned his Bachelor of Science degree from Cornell University's School of Industrial and Labor Relations.

Graham Taylor



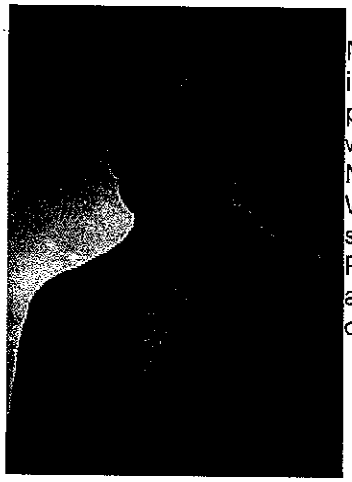
Graham Taylor was appointed Senior Vice President – Marketing for **tw telecom** in 2009. He served as Senior Vice President Sales and Marketing since 2006. Mr. Taylor currently oversees product development and management, professional services, Constellation Platform development, go-to-market strategies for products and customer segments, offer management and pricing, market research, and sales engineering. Prior to joining **tw telecom**, he has held a variety of executive positions at Teleport Communications Group, ATT, Logix Communications as well as sales and marketing experience with VMX Corporation and ITT World Communications. Mr. Taylor earned a BS in Business Administration and Commerce from of Rider University.

Harold W. Teets



Harold W. Teets was appointed Senior Vice President – Information and Network Technologies for **tw telecom** in 2006. Mr. Teets, a 35-year veteran in the technology and network communications fields, oversees the company's Information Technology, Network Engineering, Technology Management, Technology Operations, Carrier Relations and Access Management groups. Prior to joining the company, he was Chief Information and Chief Technology Officer at Xspedius Communications. Mr. Teets has held executive level technology leadership roles with several industry leading companies including AT&T Canada, MCI, Brooks Fiber, Conversent Communications, Looking Glass Networks and MFS. In 2010, Mr. Teets was appointed by the Federal Communications Commission (FCC) to its prestigious Technological Advisory Council (TAC). He was also identified as one of the 25 most influential people in telecom software in 2011. Mr. Teets earned his BS degree in Computer Science from LaSalle University.

Marc Willency



Marc Willency was appointed Senior Vice President-Corporate Operations in April 2007. Mr. Willency is responsible for our operation centers including provisioning, service assurance, and customer service. Prior to then, he was vice president Customer Care as well as leading the Customer Network Solutions and Services departments. From 1999 to 2005, Mr. Willency oversaw the creation and development of several functional support teams including sales engineering and field market management. Prior to joining the company in 1997, Mr. Willency held a leadership position at a large Midwestern Internet services company. Mr. Willency is a graduate of Western Michigan University.

tw telecom data services llc

Attachment F

Proposed Local Exchange Services Tariff

TITLE PAGE

LOCAL EXCHANGE SERVICE TARIFF OF

tw telecom data services llc

This tariff contains the descriptions, regulations and rates applicable to the furnishing of Local Exchange telecommunications services provided by **tw telecom data services llc** within the state of Delaware. This tariff is on file with the Delaware Public Service Commission and at the Company's place of business.

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION	
Title	Original	*	31	Original	*	62	Original	*
1	Original	*	32	Original	*	63	Original	*
2	Original	*	33	Original	*	64	Original	*
3	Original	*	34	Original	*	65	Original	*
4	Original	*	35	Original	*	66	Original	*
5	Original	*	36	Original	*	67	Original	*
6	Original	*	37	Original	*	68	Original	*
7	Original	*	38	Original	*	69	Original	*
8	Original	*	39	Original	*	70	Original	*
9	Original	*	40	Original	*	71	Original	*
10	Original	*	41	Original	*	72	Original	*
11	Original	*	42	Original	*	73	Original	*
12	Original	*	43	Original	*	74	Original	*
13	Original	*	44	Original	*	75	Original	*
14	Original	*	45	Original	*	76	Original	*
15	Original	*	46	Original	*	77	Original	*
16	Original	*	47	Original	*	78	Original	*
17	Original	*	48	Original	*	79	Original	*
18	Original	*	49	Original	*	80	Original	*
19	Original	*	50	Original	*	81	Original	*
20	Original	*	51	Original	*	82	Original	*
21	Original	*	52	Original	*	83	Original	*
22	Original	*	53	Original	*	84	Original	*
23	Original	*	54	Original	*	85	Original	*
24	Original	*	55	Original	*	86	Original	*
25	Original	*	56	Original	*	87	Original	*
26	Original	*	57	Original	*	88	Original	*
27	Original	*	58	Original	*	89	Original	*
28	Original	*	59	Original	*	90	Original	*
29	Original	*	60	Original	*	91	Original	*
30	Original	*	61	Original	*	92	Original	*

* - indicates those pages included with this filing

CHECK SHEET, (CONT'D.)

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION	
93	Original	*	126	Original	*	159	Original	*
94	Original	*	127	Original	*	160	Original	*
95	Original	*	128	Original	*	161	Original	*
96	Original	*	129	Original	*	162	Original	*
97	Original	*	130	Original	*	163	Original	*
98	Original	*	131	Original	*	164	Original	*
99	Original	*	132	Original	*	165	Original	*
100	Original	*	133	Original	*	166	Original	*
101	Original	*	134	Original	*	167	Original	*
102	Original	*	135	Original	*	168	Original	*
103	Original	*	136	Original	*	169	Original	*
104	Original	*	137	Original	*	170	Original	*
105	Original	*	138	Original	*	171	Original	*
106	Original	*	139	Original	*	172	Original	*
107	Original	*	140	Original	*	173	Original	*
108	Original	*	141	Original	*	174	Original	*
109	Original	*	142	Original	*	175	Original	*
110	Original	*	143	Original	*	176	Original	*
111	Original	*	144	Original	*	177	Original	*
112	Original	*	145	Original	*	178	Original	*
113	Original	*	146	Original	*	179	Original	*
114	Original	*	147	Original	*	180	Original	*
115	Original	*	148	Original	*	181	Original	*
116	Original	*	149	Original	*	182	Original	*
117	Original	*	150	Original	*	183	Original	*
118	Original	*	151	Original	*	184	Original	*
119	Original	*	152	Original	*	184	Original	*
120	Original	*	153	Original	*			
121	Original	*	154	Original	*			
122	Original	*	155	Original	*			
123	Original	*	156	Original	*			
124	Original	*	157	Original	*			
125	Original	*	158	Original	*			

* - Indicates pages included with this filing.

TABLE OF CONTENTS

		Page
CHECK SHEET		1
TABLE OF CONTENTS		3
EXPLANATION OF SYMBOLS		6
TARIFF FORMAT		7
APPLICATION OF TARIFF		8
SECTION 1 - DEFINITIONS		9
SECTION 2 - REGULATIONS		14
2.1	Undertaking of the Company	14
2.2	Prohibited Uses	24
2.3	Obligations of the Customer	25
2.4	Customer Equipment and Channels	29
2.5	Customer Deposits and Advanced Payments	31
2.6	Payment Arrangements	32
2.7	Service Level Standards and Allowances for Interruptions in Services	40
2.8	Cancellation in Service/Termination Liability	48
2.9	Customer Liability for Unauthorized Use of the Network	49
2.10	Use of Customer's Service by Others	50
2.11	Services for Hearing Impaired	51
2.12	Transfers and Assignments	52
2.13	Notices and Communications	53
2.14	Expedited Due Date Service	54
2.15	Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority	55
2.16	Customer Requested Suspension of Service	60
2.17	Additional Rules Relating to Resale of Service	61
2.18	Inside Wire Maintenance and Installation	63
2.19	Letter of Authorization / Carrier Facility Assignment	64

TABLE OF CONTENTS, (CONT'D.)

		Page
SECTION 3 - APPLICATION OF RATES		65
3.1	Introduction	65
3.2	Usage Based Charges	65
3.3	Rates Based Upon Distance	66
3.4	Maintenance Visit Charges	67
3.5	Restoration of Service	67
3.6	Move and Change of Service	68
3.7	Records Order Change	68
SECTION 4 - SERVICE AREAS		69
4.1	Scope of Service	69
4.2	Calling Areas	69
SECTION 5 - NETWORK SERVICES		70
5.1	Service Offerings - General	70
5.2	Converged Voice Service	71
5.3	FlexVoice℠ Service	120
5.4	SIP Trunking Service	123
SECTION 6 - SUPPLEMENTAL SERVICES		140
6.1	Business Line and Terminal Features	140
6.2	Digital Trunk and PRI Features	147
6.3	Service and Promotional Trials	152
6.4	Directory Assistance Service	153
6.5	Local Operator Service	155
6.6	Voice Mail Service	156
6.7	Blocking Service	159
6.8	Listings	161
6.9	Non-Published Service	168
6.10	Non-Listed Service	169
6.11	Recorded Announcement Service	170
6.12	Hunting	171
6.13	Emergency Reroute Service	173
6.14	Automatic Intercept Service	174
6.15	N11 Dialing Service	175
6.16	Disaster Routing Service	177
6.17	Individual Telephone Numbers	178
6.18	Virtual Telephone Number	179
6.19	Remote Telephone Numbers Service	180

TABLE OF CONTENTS, (CONT'D.)

		Page
SECTION 7 - SPECIAL ARRANGEMENTS		181
7.1	Special Construction	181
7.2	Individual Case Basis (ICB) Arrangements	183
7.3	Negotiated Rates and Competitive Discounts	183
7.4	Special Promotions	184

EXPLANATION OF SYMBOLS

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

(C) - To signify changed listing, rule, or condition that may affect rates or charges.

(D) - To signify discontinued material, including listing, rate, rule, or condition.

(I) - To signify an increase.

(M) - To signify material relocated from or to another part of tariff schedule with no change in text, rate, rule or condition.

(N) - To signify new material including listing, rate, rule or condition.

(R) - To signify a reduction.

(S) - To signify reissued material.

(T) - To signify change in wording of text but not change in rate, rule, or condition.

TARIFF FORMAT

1. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

2. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14. Consult the Check Page for the page currently in effect.

3. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
   2.
   2.1.
   2.1.1.
   2.1.1.A.
   2.1.1.A.1.
   2.1.1.A.1.(a).
   2.1.1.A.1.(a).I.
   2.1.1.A.1.(a).I.(i).
   2.1.1.A.1.(a).I.(i).(1).

4. Check Pages - When a tariff filing is made with the Commission, an updated Check Page accompanies the tariff filing. The Check Page lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the Check Page is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.)

APPLICATION OF TARIFF

This tariff sets forth the regulations and rates applicable to services provided by **tw telecom data services llc** ("Company") as follows:

The furnishing of intrastate communications services by virtue of one-way and/or two-way information transmission between points within the State of Delaware.

Any of the Company's rates and charges may be revised, discontinued, supplemented or changed from time to time in accordance with applicable law, orders, rules and regulations of the Delaware Public Service Commission.

All offered services are subject to available facilities and authorization from the local municipality in the jurisdiction where the service is offered.

Company may offer various unregulated services in conjunction with or ancillary to its regulated services.

To the extent facilities are available, services offered under this tariff are provided by the Company on an On-Net basis. Unless otherwise noted, prices for services offered under this tariff reflect the On-Net price for such services. Where service is provided on an Off-Net basis, additional charges may apply.

Service is currently offered only to non-residential Customers.

This tariff is governed by the laws of the State of Delaware, without regard to its choice of law provisions.

SECTION 1 - DEFINITIONS

For the purpose of this tariff, the following definitions will apply:

Analog - A transmission method employing a continuous (rather than a pulsed or digital) electrical signal that varies in amplitude or frequency in response to changes of sound, light, position, etc., impressed on a transducer in the sending device.

Authorized User - A person, corporation or other entity who is authorized by the Company's Customer to utilize service provided by the Company to the Customer. The Customer is responsible for all charges incurred by an Authorized User.

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

Building - A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy.

Call Termination - The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

Central Office - An operating office of the Company where connections are made between telephone exchange lines.

Channel - A point-to-point bi-directional path for digital transmission. A channel may be furnished in such a manner as the Company may elect, whether by wire, fiber optics, radio or a combination thereof and whether or not by means of single physical facility or route. One 1.544 Mbps Service is equivalent to 24 channels.

Circuit - The unit of bandwidth utilization for any given speed of services.

SECTION 1 – DEFINITIONS, (CONT'D.)

Commission - Delaware Public Service Commission.

Communications Services - The Company's regulated intrastate toll and local exchange switched telephone services and private or dedicated line services offered for both intraLATA and interLATA use.

Company - **tw telecom data services llc**, the issuer of this tariff.

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

Customer Premises Equipment (CPE) - Equipment provided by the Customer for use with the Company's services. CPE can include a station set, facsimile machine, key system, PBX, or other communication system.

Demarcation Point - The Company-designated physical interface between the Company's Network and Customer's equipment, which point shall be either (i) in the case of a Service terminating at a Company owned or controlled premises, Company's designated distribution panel or network interface device located within such Company premises or (ii) in the case of a Service terminating at Customer's premises, the distribution panel or network interface device located at the common telecommunications ("telco") demarcation at the Customer or end-user premises (e.g., entry point for telco facilities, telco closet or common telco room).

Digital - A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits (bits) 0 and 1. Digital transmission/switching technologies employ a sequence of discrete, individually distinct pulses to represent information, as opposed to the continuously variable signal of analog technologies.

Exchange - An area consisting of one or more central office districts within which a call between any two points is a local call.

Exchange Access Line - A central office line furnished for direct or indirect access to the exchange system.

Exchange Service - The provision to the Customer of access to the exchange system for the purpose of sending and receiving calls. This access is achieved through the provision of a central office line (exchange access line) between the central office and the Customer's premises.

Fiber Optic Cable - A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

SECTION 1 – DEFINITIONS, (CONT'D.)

Handicapped Person - A person, who is legally blind, visually handicapped or physically handicapped as that term is defined in the Federal Register (Vol. 35 #126 dated June 30, 1970).

Hearing Impaired - Those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.

ICB - Individual Case Basis.

Interruption - The inability to complete calls, either incoming or outgoing or both, due to Company facilities malfunction or human errors.

IP – Internet Protocol - used for communicating data across a packet-switched network by delivering distinguished protocol datagrams (packets) from the source host to the destination host solely based on their addresses.

Joint User - A person, firm, or corporation who uses the telephone service of a Customer as provided in Section 1 of this tariff.

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 Calling Area - The area, consisting of one or more central office districts, within which a Customer for exchange service may make telephone calls without a toll charge.

Mbps – Megabit, denotes millions of bits per second.

Monthly Recurring Charges ("MRC") - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Network - Those telecommunication facilities operated by the Company, and excludes any telecommunication facilities that are operated by other telecommunication providers.

Nonrecurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish service.

SECTION 1 – DEFINITIONS, (CONT'D.)

NPA - Numbering plan area or area code.

Off-Net - A means for carrying traffic to or from the Customer's premises, where the Company leases other company's facilities to deliver traffic to Customer location. Off-Net traffic consists of all traffic that is not considered to be On-Net traffic.

On-Net - A means for carrying traffic to or from the Customer's premises, where the Company connects to the point of presence in a Customer building or on a Customer's premises using only Company-owned fiber. On-Net traffic is delivered to Customer exclusively over facilities of the Company.

PBX - Private Branch Exchange.

Point of Presence ("POP") - A location designated by the Company for the connection of Customer-provided wiring and terminal equipment to the services offered under the tariffs of the Company.

Premises - A building on contiguous property not separated by a public right-of-way. The contiguous property may be divided by the private right-of-way or easement, such as a railroad right-of-way.

Rate Center - A geographic reference point with specific coordinates on a map used for determining mileage when calculating charges.

Service Date - The date on which 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 Date is the date that the Company first provides the service in conformance with the Service Order or this tariff. The Company and Customer may mutually agree on a substitute Service Date.

Service Order - The written agreement for telecommunication and related services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Date.

Service Term – The committed service duration for a particular service as set forth in the applicable Service Order, including any renewal periods.

Session Initiation Protocol (SIP) - a signaling communications protocol, widely used for controlling multimedia communication sessions such as voice and video calls over Internet Protocol (IP) networks.

SECTION 1 – DEFINITIONS, (CONT'D.)

System Equipment - Facilities and equipment installed, operated and controlled by Company to provide services to Customer.

TDM – Time Division Multiplex - technique of transmitting multiple digitized data, voice, and video signals simultaneously over one communication media by interleaving pulses representing bits from different channels or time slots.

Toll Call - Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

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

VPN – Virtual Private Network - a network that is layered on top of an underlying network. The private nature of a VPN means that the data travelling over the VPN is not generally visible, or is encapsulated from, the underlying network traffic. Similarly, the traffic within the VPN appears to the underlying network as just another traffic stream to be passed.

SECTION 2 - REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

A. The Company undertakes to furnish communications service pursuant to the terms of this tariff and/or any Service Order entered into between the Company and the Customer, in connection with one-way and/or two-way information transmission originating from points within the State of Delaware, and terminating within a local calling area as defined herein.

B. Customer may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

C. The Company reserves the right to limit the manner in which any portion of its telecommunications Network is used to protect the technical integrity of the Network. The Company may discontinue or limit service, or impose requirements as required to meet changing regulatory requirements or when such requirements have a material adverse affect on the economic feasibility of providing service, as determined by the Company in its reasonable discretion.

2.1.2 Shortage of Equipment or Facilities

A. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

B. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

A. Service is provided on a contractual basis for a minimum period of at least one year unless otherwise specified in the Service Order or this tariff. For the purpose of computing charges in this tariff, a month is considered to have thirty (30) days.

B. Customers may be required to enter into a written Service Order 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. Except as otherwise stated in an individual customer contract or Service Order, upon expiration of a Service Term for a particular service, the Service Term will automatically renew for successive one year terms at the rate specified in the most recently executed contract or service order unless terminated by either party upon written notice delivered at least thirty (30) days prior to expiration of the then existing Service Term. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the Service Term shall survive such termination.

D. Service may be terminated upon written notice to the Customer if:

1. the Customer is using the service in violation of this tariff; or

2. the Customer is using the service in violation of the law.

E. This tariff shall be interpreted and governed by the laws of the State of Delaware without regard for its choice of laws provision.

F. Any other company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (Cont'd.)

G. The Company hereby reserves its rights to establish service packages specific to a particular Customer. These contracts may or may not be associated with volume and/or term discounts.

H. If the Company anticipates taking any action to obtain relief under the United States Bankruptcy Code or filing an answer admitting bankruptcy or insolvency, or the Company will no longer be able to provide service, the Company will notify Customers as soon as practicable to permit Customers to obtain alternative service.

I. All prices, terms and conditions associated with the services provided under this tariff are proprietary to the Company and will not be disclosed by the Customer to any party outside of the Customer's business entity. The Customer may not use the Company's name, logo or service mark in connection with the Customer's marketing of services to End Users, even where those services include services provided by the Company. The Company may use Customer's name and logo in materials presented to analysts and investors.

J. Service is furnished subject to the conditions that it will not be used; (1) to make foul or profane expressions, (2) to impersonate another person with fraudulent or malicious intent, (3) to call another person so frequently, or at such times, or in any other manner so as to annoy, abuse, threaten, or harass the other person, (4) for any other unlawful purpose, or (5) in such a manner as to interfere with the use of the service by any other user.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

A. Customer-Provided Equipment

The service and facilities furnished by the Company are subject to the following limitations: the Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the facilities of the Company caused by Customer-provided equipment or premises wire.

B. Use of Facilities of Other Companies

When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees. This includes the provision of a signaling system database by another company.

C. Liability of the Company

The liability of the Company, or any other common carrier or other service provider that furnishes any portion of the Company's services, for damages arising from errors, mistakes, omissions, interruptions, or delays of the Company, or its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing regulated or nonregulated service or facilities (including the obtaining or furnishing of information in respect thereof or with respect to the Customers of the service or facilities) will not exceed an amount equal to the MRC (calculated on a proportionate basis) for the affected service during the period which such error, mistake, omission, interruption or delay occurs. The Company is not liable under any circumstances for any act, omission, error, mistake, interruption or delay of any connecting carrier or other service provider or their respective agents, servants or employees; nor will the Company have any such liability for providers of connections, equipment, facilities, or services other than the Company or its agents, servants, or employees. The Company will not be liable under any circumstances for any act, omission, error, mistake, interruption or delay of any person or entity owning telecommunications facilities used by the Customer or who furnishes facilities or services connected with or provided in conjunction with the Company's service;

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

C. Liability of the Company, (Cont'd.)

or for the culpable conduct of the Customer, its agents, servants, employees, invitees, or guests, or failures of equipment, facilities or connections provided by the Customer. The Company is not liable for interruptions, errors, delays, or defects in transmission when caused by strike or other labor problems, power fluctuations, surges or failures, national emergencies, acts of God, war, fire, flood, adverse weather conditions, riots, government authorities, cable cut, ordinances, laws, rules, regulations or restrictions, condemnation or exercise of rights of eminent domain, or other causes beyond the Company's control. The Company will not be liable at any time or under any circumstance for indirect, consequential, special incidental, reliance, special, punitive or consequential damages (including, without limitation, harm to business, lost revenues, lost savings, lost opportunity, harm to business or loss of profits) in connection with services rendered to the Customer under this tariff.

D. Approval of the above tariff language by the Commission does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld by a court of law. Approval by the Commission merely recognizes that since it is the court's responsibility to adjudicate negligence and consequential damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause(s).

2.1.5 Notification of Service-Affecting Activities

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

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities

A. The Company shall use reasonable efforts to maintain only the facilities and equipment installed, operated and controlled by Company to provide services to Customer ("System Equipment"). The Customer may not disconnect, remove, attempt to repair, or otherwise interfere with any of the System Equipment, nor may the Customer permit others to do so, except upon the written consent of the Company. The Customer is responsible for any damage or loss to System Equipment arising out of the negligent or willful acts or omissions of the Customer or the Customer's employees, agents or authorized users.

B. The Company may substitute, change or rearrange any System Equipment at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

C. System Equipment located at the Customer's Premises for use in connection with the services shall not be used for any purpose other than that for which the equipment is provided.

D. Except as otherwise indicated, Customer-provided station equipment must comply, on a continuing basis, with the technical specifications established by the Company.

E. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

1. the through transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or

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

3. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities, (Cont'd.)

F. In the event the Company, in responding to a Customer initiated service call, determines that the cause of such service call is a failure, malfunction or inadequacy of Customer-provided equipment, the Customer must compensate the Company for such service call at Company's then prevailing rate.

G. The Customer is responsible for usage charges, damages and loss resulting from the unauthorized or fraudulent use by the Customer, its agents, employees or third parties, of the services provided hereunder if such charges, damages or loss results from the failure, malfunction, inadequacy or failure to properly secure Customer-provided equipment.

H. The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

I. The Customer agrees to operate Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to Section 2.1.6.J. below.

J. The Customer agrees to return to the Company all Company provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Directory Errors

The Company's only liability, for any cause whatsoever, including gross negligence or willful misconduct, for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall be as follows:

A. Free Listings: For free or no-charge published directory listings, credit shall be given at the rate of the monthly tariff rate for an additional or charge listing for each individual, auxiliary or party line, PBX trunk or Centrex attendant loop affected, for the life of the directory or the charge period during which the error, mistake or omission occurs.

B. Charge Listings: For additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs.

C. Operator Records: For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the Customer, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of 2/30ths of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.

D. Credit Limitation: The total amount of the credit provided for the preceding paragraphs A, B, and C shall not exceed, on a monthly basis, the total of the charges for each charge listing plus the basic monthly rate, as specified in paragraph C, for the line or lines in question.

E. Definitions: As used in Paragraphs A, B, C, and D above, the terms "error", "mistake" or "omission" shall refer to a discrepancy in the directory listing or directory assistance records which the Company has failed to correct and where the error affects the ability to locate a particular Customer's correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address places the Customer on an incorrect street or in an incorrect community.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Directory Errors, (Cont'd.)

F. Notice: Such allowances or credits as specified in Paragraphs A, B, and C above, shall be given upon notice to the Company by the Customer that such error, mistake, or omission has occurred.

G. When a Customer transfers to the Company from a prior local exchange carrier with ported numbers, the Company assumes no liability for any pre-existing directory errors associated with the ported numbers.

H. The Customer is responsible for any charges imposed by its prior local exchange carrier for any directory services obtained from such local exchange carrier with respect to transferred lines.

2.1.8 Special Construction

Subject to the agreement of the Company and to the terms contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is construction undertaken:

A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;

B. of a type other than that which the Company would normally utilize in the furnishing of its services;

C. over a route other than that which the Company would normally utilize in the furnishing of its services;

D. in a quantity greater than that which the Company would normally construct;

E. on an expedited basis;

F. on a temporary basis until permanent facilities are available;

G. involving abnormal costs; or

H. in advance of its normal construction.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.9 Ownership of Facilities

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

2.1.10 Governmental Authorizations

The provision of services is subject to and contingent upon the Company obtaining and retaining such approvals, consents, governmental authorizations, licenses, and permits as may be required or be deemed necessary by the Company. The Company shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be required to be obtained by it. The Company shall be entitled to take and shall have no liability whatsoever, for any action necessary to bring the services into conformance with any rules, regulations, orders, decisions, or directives imposed by the Federal Communications Commission, the Commission, or any other applicable agency, and the Customer shall fully cooperate in and take such actions as may be requested to comply with any such rules, regulations, orders, decisions or directives.

SECTION 2 – REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company shall require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file an addendum with the Company specifying additional terms and conditions and confirming that their use of the Company's offerings complies with relevant laws and the Commission's regulations, policies, orders, and decisions.

2.2.3 The Company may block any signals being transmitted over its network by Customers which cause interference to the Company or other users. The Customer shall be relieved of all obligations to make payments for charges relating to any blocked service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.

2.2.4 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. 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 communications services and the other entity meets the Company's credit criteria or makes a deposit as required by Section 2.5.2. Such a transfer will be treated as a disconnection of existing service and installation of new service, and nonrecurring installation charges as stated in this tariff will apply.

2.2.5 The Customer must provide sufficient information regarding the intended use of the service to allow the Company to furnish and maintain the requested service and to ensure that the use of the service complies with all tariff regulations. The services furnished herein shall not be used for any purpose or in any manner directly or indirectly in violation of this tariff, the law or in aid of any unlawful act or undertaking.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

A. the payment of all applicable charges pursuant to this tariff and/or the contract by which the Customer takes service;

B. damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;

C. providing at no charge, as specified from time to time by the Company, any equipment, space and power the Company may deem necessary at the Customer's premises in order to properly provide service, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide telecommunications services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 2.3.1.C. Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by the Customer, or may be charged by the Company to the Customer. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service.

E. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (i.e., friable asbestos) prior to any construction or installation work;

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 General, (Cont'd.)

F. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any Customer's premises or the rights-of-way for which Customer is responsible under Section 2.3.1.D; and granting or obtaining permission for the Company's agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;

G. not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and

H. granting reasonable access to Company's facilities and equipment for maintenance purposes.

I. Upon termination of service as provided for any reason, all amounts due from the Customer to the Company, including, but not limited to, charges for services rendered and termination liability as provided in this tariff, shall become immediately due and payable by the Customer.

2.3.2 Liability of the Customer

A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, directors, employees, agents, invitees or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer, (Cont'd.)

B. Indemnification by the Customer

The Customer and any authorized or joint users, jointly and severally shall indemnify, defend and hold the Company harmless against claims, loss, damage, expense (including attorneys' fees and court costs) for (i) libel, slander, or infringement of copyright or unauthorized use of any trademark, tradename or service mark arising from the material transmitted over its facilities; (ii) infringement of patents arising from combining with, or using in connection with, facilities of the Company, equipment and systems of the Customer; (iii) all claims of any kind by Customer's end users; and (iv) all other claims including, without limitation, claims for damage to any business or property or injury to, or death of, any person arising out of any act or omission of the Customer in connection with facilities provided by the Company or the Customer. In the event any such infringing use is enjoined, the Customer, authorized user or joint user at its option and expense, shall obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish any claim of infringement, or terminate the claimed infringing use or modify such infringement. The Customer and any authorized or joint users, jointly and severally shall also indemnify, defend and hold the Company harmless against: all claims, demands, losses or liabilities, including, but not limited to, fees and expenses of counsel, arising out of, occasioned by, or in connection with, any act or omission of the Customer or of any person utilizing the Customer's codes, services, equipment, or facilities, with or without the consent or knowledge of the Customer. Service is furnished subject to the conditions that it will not be used: (1) to make foul or profane expressions, (2) to impersonate another person with fraudulent or malicious intent, (3) to call another person so frequently, or at such times, or in any other manner so as to annoy, abuse, threaten, or harass the other person, (4) for any other unlawful purpose, or (5) in such a manner as to interfere with the use of the service by any other user.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer, (Cont'd.)

C. Customer-Provided Equipment - The service and facilities furnished by the Company are subject to the following limitations: the Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the facilities of the Company caused by Customer-Provided equipment or premises wire. The Company shall have no obligation to install, maintain, repair or operate Customer-provided equipment. In the event that the Company, in responding to a Customer-initiated service call, determines that the cause of such service call is a failure, malfunction or inadequacy of Customer-provided equipment, the Customer must compensate the Company for such service call at the prevailing rate.

D. Use of Facilities of Other Companies - When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees. This includes the provision of a signaling system database by another company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 General

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

2.4.2 Station Equipment

A. Terminal equipment on the User's Premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the User. The User is responsible for the provision of wiring or cable to connect its terminal equipment to the Company point of presence.

B. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities comply, on a continuing basis with technical specifications established by the Company.

2.4.3 Interconnection of Facilities

A. Local Traffic Exchange

Local Traffic Exchange provides the ability for another local exchange provider to terminate local traffic on the Company's network. In order to qualify for Local Traffic Exchange the call must: (a) be originated by an end user of a company that is authorized by the Commission to provide local exchange service; (b) originate and terminate within a local calling area of the Company.

B. Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Communications Services and the channels, facilities, or equipment of others shall be provided at the Customer's expense.

SECTION 2 – REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities, (Cont'd.)

C. Communications Services may be connected to the services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

D. Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provisions of this tariff. All such terminal equipment shall be registered by the Federal Communications Commission pursuant to Part 68 of Title 47, Code of Federal Regulations; and all user-provided wiring shall be installed and maintained in compliance with those regulations, and any specifications required by the Company.

2.4.4 Inspections

A. Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.B for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. The Customer shall provide the Company with access for such inspections.

B. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

C. If harm to the Company's network, personnel or services is imminent, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

SECTION 2 – REGULATIONS, (CONT'D.)

2.5 Customer Deposits and Advance Payments

2.5.1 Advance Payments

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished or where special construction is involved. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and one (1) month's charges for the service or facilities including estimated usage. In addition, the advance payment may also include an amount equal to the estimated nonrecurring charges for the special construction and related 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. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

2.5.2 Deposits

A. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge or if Customer has failed to timely pay for service(s) on two occasions during any six month period. 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 two (2) month's charges for tariffed services plus estimated usage.

B. A deposit may be required in addition to an advance payment.

C. Upon discontinuance of service, the Company, within forty-five (45) days, shall automatically refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.

D. Deposits held will accrue interest at the rate specified by the Commission.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements

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.

A. Taxes, Fees and Surcharges

"Tax" or "Taxes" means any federal, state or local excise, gross receipts, value added, sales, use or other similar tax, fee, tax-like fee or surcharge of whatever nature and however designated, imposed or sought to be imposed, on or with respect to purchases by Customer or for the Company's use of public streets or rights of way, which the Company is required or permitted by law or tariff to collect from Customer; provided, however, that the term "Tax" will not include any tax on the Company's corporate existence, status, income, corporate property or payroll taxes.

The Company shall bill any and all applicable taxes, surcharges and fees, including, but not limited to: Federal Excise Tax; State Sales Tax; Municipal Taxes; Gross Receipts Taxes; and any taxes, surcharges, fees, charges or other payments contractual or otherwise, for the use of public streets or rights-of-way, whether designated as franchise fees or otherwise. As permitted by law, the Company will recover from its Customers any such charges assessed directly against the Company. Such taxes or fees will be itemized separately on the Customer's invoice or billing detail. If Customer fails to pay any Taxes properly billed, Customer will be solely responsible for payment of the Taxes, and penalty and interest.

Taxes and surcharges assessed on bundled services are based upon a model configuration and standard pricing for the individual product elements contained within the bundle. Modifications to standard pricing or to the model configuration may result in changes to the allocation of the bundle price to specific product elements. Details are available upon Customer request.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.1 Payment for Service, (Cont'd.)

A. Taxes, Fees and Surcharges, (Cont'd.)

If either Customer or the Company is audited by a taxing or other governmental authority, the other party will cooperate reasonably by responding to the audit inquiries in a proper, complete and timely manner. The Company will cooperate, at Customer's expense, with reasonable requests of Customer in connection with any Tax contest or refund claim. Customer will ensure that no lien is attached to or allowed to remain on any asset of the Company as a result of any Tax contest. Customer will indemnify and hold the Company harmless against any liabilities, damages, losses, costs or expenses arising out of such Tax proceedings, including without limitation any additional Taxes, interest, penalties and attorney's fees.

If Customer claims an exemption for any Taxes, Customer must provide the Company with a proper tax exemption certificate as authorized by the appropriate taxing authority. Customer must pay the applicable Taxes to the Company until it provides a valid exemption certificate. If applicable law exempts a service from a Tax, but does not also provide an exemption procedure, the Company will not collect such Tax if Customer provides a letter signed by one of its officers; (i) claiming a right to the exemption; (ii) identifying the applicable law that allows such exemption and does not require an exemption certificate; and (iii) agreeing to indemnify and hold the Company harmless from any tax, interest, penalties, loss, cost or expense asserted against the Company as a result of its not collecting the Taxes from Customer.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

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. The Company shall present invoices for non-recurring and recurring charges monthly to the Customer, in advance of the month in which service is provided. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.

B. The Company reserves the right to deny a request for additional services or restoration of services unless and until the Customer's account is in current status.

C. When service does not begin on the first day of the month, or end on the last day of the month, the monthly charge, and any allotment of minutes included with applicable services, for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

D. Billing of the Customer by the Company will begin on the Service Date. The Service Date will not be delayed or postponed due to problems with Customer's equipment or Customer's lack of readiness to accept or use the service. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.2 Billing and Collection of Charges, (Cont'd.)

E. All invoiced charges shall be due and payable on the due date printed on the invoice ("Due Date"), which is one day prior to the date of the next monthly invoice. 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. A late payment charge of the lesser of 1.5% per month or the or the maximum rate permitted by law, for bills not paid by the Due Date, is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied. Late payment charges are to be applied without discrimination.

F. Objections to billed charges must be reported to the Company within 120 calendar days of the date of the invoice associated with the disputed charges, or the invoice shall be deemed correct and all rights to dispute such charges are waived. Claims must include all supporting documentation and may be submitted online at http://customers.twtelecom.com/disputes/ or by telephone at 1-800-829-0420. The Company shall make adjustments to the Customer's invoice to the extent that circumstances exist which reasonably indicate that such changes are appropriate. Withheld disputed amounts determined in favor of the Company must be paid by Customer within five (5) business days following written, electronic or telephonic notice of the resolution and will bear interest at the lesser of 1.5% per month or the maximum rate allowed by law from the Due Date until the date paid.

If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedure.

G. If service is disconnected by the Company (in accordance with Section 2.6.3 following) and later re-installed, re-installation of service will be subject to all applicable installation charges. If service is suspended by the Company (in accordance with Section 2.6.3 following) and later restored, restoration of service will be subject to the rates in this tariff.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.3 Discontinuance of Service

A. Discontinuance of Service for Cause

Company may, without further notice, discontinue or suspend services for cause in the event of any of the following:

1. Customer fails to pay any amounts due herein by the Due Date and fails to cure by paying the associated outstanding balance in full within ten (10) days following written notice by Company;

2. Customer's breach of any of the other terms or conditions for furnishing service and fails to cure within ten (10) days following written notice by Company;

3. Customer's insolvency, bankruptcy assignment for the benefit of creditors, appointment of trustee or receiver or similar event;

4. Customer's illegal or fraudulent use of the Company's network;

5. The Customer is responsible for providing adequate access lines to enable the Company to terminate all toll free (i.e., 800/888) Service calls to the Customer's telephone equipment. Should the Customer have insufficient access lines on which to terminate toll free Service calls, the Company reserves the right to request the Customer to add additional lines for call terminations. If, after ninety (90) days, the Customer has not made the requested change, the Company, without incurring any liability, reserves the right to terminate the Customer's toll free service, with thirty (30) days written notice.

6. Upon the Company's discontinuance of service to the Customer under Section 2.6.3, 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 Service Term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.3 Discontinuance of Service, (Cont'd.)

B. Discontinuance of Service Without Cause

Company may discontinue or suspend services without cause in the event of any of the following:

1. Upon any governmental prohibition or governmental required alteration of the services, the Company may immediately discontinue service without incurring any liability.

2. 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.

3. Customer is responsible for paying for all charges incurred up to and including the date services are disconnected by the Company.

2.6.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide Company with not less than thirty (30) days prior written notice of desire to terminate service. All requests by Customer for disconnection of On-Net services will be processed by Company in thirty (30) days or less, and for disconnection of long haul Off-Net Services in forty-five (45) days or less, following delivery of the written notice. Customer must pay for services until such disconnection actually occurs.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.5 Cancellation or Modification of Application for Service

A. Cancellation Charge - If the Customer cancels its order for service prior to the scheduled Service Date, an Order Cancellation Charge will apply. The Company reserves the right to assess any documented charges from a third party that are directly associated with the Customer's request to cancel the Service-Order.

Order Cancellation Charge	$100.00 per circuit plus, for off-nct circuits, an additional Off Net cancellation charge will apply (www.twtelecom.com for current pricing by state).

B. Modification Charge - If the Customer requests a change in a Service Order (excluding requests to expedite the scheduled service date as provided by Section 2.15 of this tariff), an Order Modification Charge will apply. The Company reserves the right to assess any documented charges from a third party that are directly associated with the Customer's request to modify the Service Order.

Order Modification Charge	$100.00 per Service Order being modified. An Off Net cancellation charge as described above will also apply if Customer requests to delay installation of an Off Net circuit by more than 30 days.

2.6.6 Delay of Installation

If the Customer wishes to delay the scheduled service date for commencement of service, the Customer must notify the Company, in writing, at least 72 hours prior to the original scheduled service date. The Customer shall pay the Company an Order Modification Charge as described in Section 2.6.5 and pay the Company for any third party charges incurred by the Company to meet the scheduled service date prior to receipt of such notice. Written requests to delay the scheduled service date received less than 72 hours prior to the scheduled service datc shall not result in the delay of billing monthly recurring charges.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.7 Changes in Service Requested

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

2.6.8 Returned Item Charge

A charge of $25.00, or the current allowable amount, will be assessed for any check or other form or payment returned by the drawee bank or other financial institution for insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or financial institution. This charge will be assessed in addition to any charges assessed by the drawee bank or any other financial institution.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service

2.7.1 Service Level Standards

A. IP Based Services

1. Network Availability

The Company's Network Availability Objective for each calendar month for services provisioned On-Net is 99.99%. The service is unavailable when it is not able to transmit and receive data due to the Company's equipment or network ("Service Outage"). Upon Customer's request, the Company shall credit Customer's invoice for Service Outages of five minutes or more. Credit allowance will be calculated as a percentage of the monthly recurring charge for the affected service(s) as follows:

Per Service Outage	Credit Allowance
More than 5 minutes up to 4 hours	5%
More than 4 hours up to 8 hours	10%
More than 8 hours up to 12 hours	15%
More than 12 hours up to 16 hours	20%
More than 16 hours up to 24 hours	35%
More than 24 hours	50%

2. Latency

The Company's On-Net services will have an average round-trip transmission of 50 milliseconds ("ms") or less between the Company's designated regional route servers ("Latency"). Latency will be calculated by averaging sample measurements taken during the most recent full calendar month between the Company's designated regional route servers. If the Company fails to meet the Network Average Latency standard, upon Customer's request, credits will be calculated per the table below.

Standard	Credit Allowance
0.00 - 50.00 ms	No Credit
50.01 - 60.00 ms	5%
60.01 - 65.00 ms	10%
65.01 - 70.00 ms	15%
70.01 - 75.00 ms	20%
75.01 - 80.00 ms	35%
80.01 ms or greater	50%

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.1 Service Level Standards, (Cont'd.)

A. IP Based Services, (Cont'd.)

3. Packet Delivery

The Company's On-Net services will have a packet delivery of at least 99.5%. Packet Delivery is determined by averaging sample measurements taken during the most recent full calendar month between the Company's designated route servers. If the Company fails to meet the Packet Delivery Standard, upon Customer's request, credits will be calculated per the table below.

Standard	Credit Allowance
99.5%+	No Credit
99% - 99.4%	5%
98% - 98.9%	10%
97% - 97.9%	15%
96% - 96.9%	20%
95% - 95.9%	35%
Below 95%	50%

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.2 General

A. A credit allowance will be given when service is interrupted, except as specified in Section 2.7.3 following. A service is interrupted when it becomes inoperative to the Customer, i.e., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.

B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

D. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

E. If two trouble tickets have been opened for a particular service in a thirty (30) day period, and the cause of outage is determined to be in the Company's network or system equipment, such service will be deemed a Chronic Trouble Service. If a third trouble ticket is opened on a Chronic Trouble Service within thirty (30) days of the second trouble ticket, and the cause of outage is determined to be in the Company's network or system equipment, the Customer may disconnect the affected service without incurring termination liability provided that Customer supplies the Company with a written termination notice no later than thirty days following the third Service Outage.

F. The issuance of credits and Customer's Chronic Trouble Service termination rights pursuant to this Section shall be the Customer's sole and exclusive remedy for service interruption claims.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.3 Limitations of Allowances

Credits issued during any calendar month will not exceed the monthly recurring charge associated with the affected service that experienced the service outage(s). No credit allowance will be made for any interruption in service:

A. Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;

B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;

C. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

D. A service will not be deemed to be interrupted if a Customer continues to voluntarily make use of the service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.7.4), or utilize another service provider;

E. 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;

F. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and

G. That was not reported to the Company within thirty (30) days of the date that service was affected.

H. Force Majeure: Such causes shall include, without limitation, acts of God, fire, flood, adverse weather conditions, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, ordinance, rule, restriction, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, condemnation or exercise of rights of eminent domain, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with the Commission's Rules and Regulations.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.4 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2.7.5 Application of Credits for Interruptions in Service

A. Trouble Reporting

If the Customer encounters a problem with any service after the Service Date, the Customer must obtain a trouble ticket by calling 1-800-829-0420. The Company will issue a credit for service interruptions as described in Section 2.7.2, if applicable, in accordance with this tariff. The duration of the problem is determined solely by the date and time the trouble ticket was opened and subsequently closed out as a resolved issue. Credits will not be issued unless a trouble ticket exists for the circuit in question.

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

C. Credit to Customer

Credits attributable to any billing period for interruptions of service shall not exceed the total charges for that period for the service and facilities furnished by the Company rendered useless or substantially impaired. Credit Allowances must be requested from the Company within 120 days of the date of the invoice covering the outage period. Any claim not filed within this time period shall be deemed waived. Claims must include the trouble ticket number and may be submitted via the Disputes process described in Section 2.6.2.F above.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.6 Time and Materials Charges

Time and Materials Charges are charges for work performed on the Customer's side of the Demarcation Point or to isolate trouble to the Customer's side of the Demarcation Point by a Company employee at the Customer's request that are not covered by other charges. Time and Materials Charges apply to, but are not limited to, work efforts associated with the installation of inside wire, preparation of Customer telecommunication spaces and maintenance on Customer equipment or inside wire. Chargeable time is labor which includes, but is not limited to, work preparation, actual work, trouble isolation and clean-up. Material Charges are the items required to fulfill the job requirements. Any work required to establish or reestablish network access on the network side of the demarcation point is excluded from Time and Materials Charges.

Included in Time and Materials Charges are Initial and Additional Time and Material Charges, the Trouble Isolation Charge, the Optional Testing and Monitoring Charge and the Dispatch Charge.

A. Time and Materials Charge Elements

1. Initial Time and Material Charge (ITM):

The first 30 minute increment or fraction thereof of billable premises work performed on the Customer's premises.

Initial Time and Material Charge $75.00

2. Additional Time and Material Charge (ATM)

Each 30 minute increment or fraction thereof beyond the first 30 minute increment of billable premises work performed on the Customer's premises.

Additional Time and Material Charge $50.00 per 30 minute increment

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.6 Time and Materials Charges, (Cont'd.)

A. Time and Materials Charge Elements, (Cont'd.)

3. Trouble Isolation Charge (TIC)

When a Customer reports a trouble to the Company for repair or trouble isolation and no trouble is found in the Company's facilities and/or network, the Customer shall be responsible for payment of a Trouble Isolation Charge for the period of time from when Company personnel are engaged or dispatched to the Customer's premises to when the work is completed. Trouble isolated to Company facilities and/or network will result in no charge to the Customer.

Trouble Isolation Charge	$85.00 per occurrence

4. Optional Testing and Monitoring Charge (OTM)

If, after a Customer report of trouble to the Company, the Customer has been notified that no trouble is found in the Company facilities and/or network, the Customer may request that the Company continue to assist with network testing and/or monitoring or otherwise continue to assist the Customer and/or its vendor. In such instance, the Customer will be assessed additional charges for the period of time from which Company personnel are engaged or dispatched to the Customer's premises to the time when the work is completed.

Optional Testing and Monitoring Charge	$300.00 per occurrence

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.6 Time and Materials Charges, (Cont'd.)

A. Time and Materials Charge Elements, (Cont'd.)

5. Dispatch Charge

The Dispatch Charge is a charge per premise visit or series of visits by a Company Field Technician to the Customer's premise for the purpose of performing billable premises work authorized or requested by the Customer or the Customer's authorized representative. The Dispatch Charge may be assessed in addition to all applicable Initial and Additional Time and Materials charges, Trouble Isolation Charge and Optional Testing and Monitoring Charge.

Dispatch Charge	$50.00 per occurrence

SECTION 2 – REGULATIONS, (CONT'D.)

2.8 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the Service Term for any reason other than for a service interruption (as defined in Section 2.7.2.E), the Customer shall pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.6.2.

2.8.1 Termination Liability

In the event that the Customer terminates service prior to the end of the Service Term, or in the event the Company terminates service for Cause as specified in Section 2.6.3. above, the Customer's termination liability shall be 100% of the MRCs applicable to the service for the remainder of the Service Term. In the case of early termination of services which are billed on a usage basis, Customer must pay to the Company an amount equal to the average monthly usage charges billed for the terminated services during all previous months since the service was successfully installed and available for Customer's use, multiplied by the number of months remaining in the Service Term. The Company reserves the right to impose termination charges at a higher rate than stated hereunder if the Company incurs unusually high capital costs to provide or remove service(s) to or from the Customer's location. The Company also reserves the right to assess any documented charges from a third party that are directly associated with the Customer's request to terminate service.

SECTION 2 – REGULATIONS, (CONT'D.)

2.9 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff.

2.9.1 Customer Liability for Fraud and Unauthorized Use of the Network

A. The Customer is liable for the unauthorized use of the network obtained through the fraudulent use of a Company calling card, if such a card is offered by the Company, or an accepted credit card, provided that the unauthorized use occurs before the Company has been notified.

B. A Company calling card is a telephone calling card issued by the Company at the Customer's request, which enables the Customer or user(s) authorized by the Customer to place calls over the network and to have the charges for such calls billed to the Customer's account.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as a renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

C. The Customer must give the Company written or oral notice that an unauthorized use of a Company calling card or an accepted credit card has occurred or may occur as a result of loss, and/or theft.

D. The Customer is responsible for payment of all charges for calling card services furnished to the Customer or to users authorized by the Customer to use service provided under this tariff, unless due to the negligence of the Company. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by third parties, the Customer's employees, or the public.

SECTION 2 – REGULATIONS, (CONT'D.)

2.10 Use of Customer's Service by Others

2.10.1 Resale and Sharing

There are no prohibitions or limitations on the resale of services. Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws of the Commission's regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.10.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

SECTION 2 – REGULATIONS, (CONT'D.)

2.11 Services for Hearing Impaired

2.11.1 Residential Hearing Impaired Customers or Hearing Impaired members of a Customer's household, upon written application and upon certification of their impaired status, which is evidenced by either a certificate from a physician, health care official, or state agency, or a diploma from an accredited educational institution for the impaired, may receive a discount off their message toll service rates, and, if they utilize telebraille devices, they may receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by nonprofit organizations and governmental agencies, upon written application and verification that such lines are maintained for the benefit of the impaired may receive a discount off their message toll service rates.

2.11.2 Upon receipt of the appropriate application, and certification or verification, the following discounts off basic message toll service shall be made available for the benefit of the Hearing Impaired: the evening discount off the intrastate, interexchange, customer-dialed, station to station calls originating 8:00 a.m. to 4:59 p.m. Monday through Friday; the night/weekend discount off the intrastate, interexchange, customer-dialed, station to station calls originating 5:00 p.m. to 10:59 p.m. Sunday through Friday, and New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

SECTION 2 – REGULATIONS, (CONT'D.)

2.12 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

2.12.1 to any subsidiary, parent company or affiliate of the Company; or

2.12.2 pursuant to any sale or transfer of substantially all the assets of the Company; or

2.12.3 pursuant to any financing, merger or reorganization of the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.13 Notices and Communications

2.13.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.13.2 The Company shall designate on the Service Order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill, and if Customer is disconnecting Services for any reason, it must deliver notice to the Company either by facsimile to 303-803-9638 or by email to "CustomerCare@twtelecom.com". Notice by facsimile or email is deemed given when delivered.

2.13.3 Any notice and similar communication concerning services provided under this tariff shall be in writing, and shall be either (i) delivered in person, or (ii) sent by certified mail, return receipt requested, or (iii) sent by facsimile electronically confirmed and followed up immediately by regular mail. Notices shall be sent to the parties' respective addresses as they appear on the Service Order or as designated by either party pursuant to this section. A notice is deemed given when delivered.

2.13.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

SECTION 2 – REGULATIONS, (CONT'D.)

2.14 Expedited Due Date Service

2.14.1 General

Upon acceptance of the Customer's application for service, the Company will notify the Customer of the timeframe in which service will be installed. When a Customer requests that service be provided in advance of the established service interval, and the Company is able to comply, an Expedited Due Date Service charge will apply.

2.14.2 Charges

The charge is applicable per exchange, per request and applies in addition to any normal service and installation charges applicable. The Company reserves the right to assess any documented charges from a third party that are directly associated with the Customer's request to expedite the service order.

2.14.3 Limitation of Liability

The Customer indemnifies and holds the Company harmless against any and all claims for damages caused or claimed to have been caused directly or indirectly when an established expedited due date is not met by the Company.

2.14.4 Charges

Expedited Due Date Charge	<u>DS1 Circuit or below</u> $ 500.00 Per On Net Circuit $1,000.00 Per Off net Circuit <u>DS3 or Ethernet Circuit</u> $1,250.00 Per On Net Circuit $2,500.00 Per Off Net Circuit

Charges for OCn circuits and Off Net Ethernet circuits with a capacity greater than 45 Mbps will be evaluated on an individual case basis.

SECTION 2 – REGULATIONS, (CONT'D.)

2.15 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority

2.15.1 General

A. The Telecommunications Service Priority (TSP) Program is a federal program used to identify and prioritize telecommunications services that support national security or emergency preparedness (NS/EP) missions.

NS/EP services are defined as those telecommunications services which are used to maintain a state of readiness or respond to and manage any event or crisis which causes or could cause injury or harm to the population, damage or loss to property, or degrades or threatens the NS/EP posture of the United States.

TSP restoration and/or provisioning shall be provided in accordance with Part 64, Appendix A of the Federal Communications Commission's Rules and Regulations (47 C.F.R.), and the "Service Vendor Handbook For The Telecommunications Service Priority (TSP) Program" and the "Service User Manual for the Telecommunications Service Priority (TSP) System" (NCS Manual 3-1-1) (Service User Manual) issued and updated as necessary by the Office of Priority Telecommunications (OPT) of the National Communications System. Any changes to or reissuance of these regulations or manuals supersede tariff language contained herein.

B. The TSP program has two components, restoration and provisioning.

1. A restoration priority is applied to new or existing telecommunications services to ensure restoration before any other services during a service outage. TSP restoration priorities must be requested and assigned before a service outage occurs.

2. A provisioning priority is obtained to facilitate priority installation of new telecommunications services during a service outage. Provisioning on a priority basis becomes necessary when an end-user has an urgent requirement for a new NS/EP service that must be installed immediately or by a specific due date that can be met only by a shorter than standard or expedited Company provisioning time frame. As a matter of general practice, existing TSP services will be restored before provisioning new TSP services.

SECTION 2 – REGULATIONS, (CONT'D.)

2.15 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.15.2 TSP Request Process

A. Restoration

To request a TSP restoration priority assignment, a prospective TSP user must:

1. Determine that the user's telecommunications service supports an NS/EP function under one of the following four TSP categories.

   National Security Leadership
   National Security Posture and U.S. Population Attack Warning
   Public Health, Safety, and Maintenance of Law and Order
   Public Welfare and Maintenance of National Economic Posture

2. Identify the priority level to be requested for the telecommunications service. The priority level is determined by the end-user's TSP category and service profile. The service profile defines the user's level of support to the portion of the telecommunications service that the user owns and operates, such as customer premises equipment or wiring. The five levels of priority and seven element groups that define the service profile are contained in the Service User Manual.

3. Complete the TSP Request for Service Users form (SF 315) available on the National Communications System (NCS) website (http://tsp.ncs.gov/).

4. For non-federal users, have their TSP requests approved by a federal agency sponsor. Non-federal users should contact the OPT, at the NCS website (http://tsp.ncs.gov/), for information on identifying a sponsor for TSP requests.

5. Submit the SF 315 to the OPT.

6. Upon receipt of the TSP Authorization Code from the OPT, notify the Company, and include the TSP Authorization Code in any service order to the Company requesting restoration of NS/EP services.

SECTION 2 – REGULATIONS, (CONT'D.)

2.15 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.15.2 TSP Request Process, (Cont'd.)

B. Provisioning

To request a TSP provisioning priority assignment, a prospective TSP user must follow the same steps listed in 2.15.2.A. above for restoration priority assignment except for the following differences. The user should:

Certify that its telecommunications service is an Emergency service. Emergency services are those that support one of the NS/EP functions listed in 2.15.2.A.1 above and are so critical that they must be provisioned at the earliest possible time, without regard to cost to the user.

Verify that the Company cannot meet the service due date without a TSP assignment.

Obtain approval from the end-user's invocation official to request a provisioning priority. Invocation officials are designated individuals with the authority to request TSP provisioning for a telecommunications service, and include the head or director of a federal agency, commander of a unified/specified military command, chief of a military service, commander of a major military command, or state governor.

2.15.3 Responsibilities of the End-User

End-users or entities acting on their behalf must perform the following:

A. Identify telecommunications services requiring priority.

B. Request, justify, and revalidate all priority level assignments. Revalidation must be completed every 2 years, and must be done before expiration of the end-user's TSP Authorization Code(s).

C. Accept TSP services by the service due dates.

SECTION 2 – REGULATIONS, (CONT'D.)

2.15 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.15.3 Responsibilities of the End-User, (Cont'd.)

D. Have Customer Premises Equipment (CPE) and Customer Premises Wiring (CPW) available by the requested service due date and ensure (through contractual means or otherwise) priority treatment for CPE and CPW necessary for end-to-end service continuity.

E. Pay the Company any authorized costs associated with priority services.

F. Report to the Company any failed or unusable services with priority levels.

G. Designate a 24-hour point of contact for each TSP request and apprise the OPT.

H. Cooperate with the OPT during reconciliation (comparison of NS/EP service information and resolution of any identified discrepancies) and revalidation.

2.15.4 Responsibilities of the Company

The Company will perform the following:

A. Provide TSP service only after receipt of a TSP authorization code.

B. Revoke TSP services at the direction of the end-user or OPT.

C. Ensure that TSP Program priorities supersede any other telecommunications priority that may be provided (other than control services and order wires).

D. Designate a 24-hour point of contact to receive reports of TSP service outages from TSP service users.

E. Designate a 24-hour point of contact to coordinate TSP processes with the OPT.

F. Confirm completion of TSP service order activity to the OPT.

G. Participate in reconciliation of TSP information at the request of the OPT.

SECTION 2 – REGULATIONS, (CONT'D.)

2.15 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.15.4 Responsibilities of the Company, (Cont'd.)

H. Ensure that all subcontractors complete reconciliation of TSP information with the service vendor.

I. Ensure that other carriers supplying underlying facilities are provided information necessary to implement priority treatment of facilities that support NS/EP services.

J. Assist in ensuring that priority level assignments of NS/EP services are accurately identified "end-to-end" by providing to subcontractors and interconnecting carriers the restoration priority level assigned to a service.

K. Disclose content of the NS/EP TSP database only as may be required by law.

L. Comply with regulations and procedures supplemental to and consistent with guidelines issued by the OPT.

2.15.5 Preemption

When spare facilities are not available, it may be necessary for the Company to preempt the facilities required to provision or restore a TSP service. When preemption is necessary, non-TSP services may be preempted based on the Company's best judgment. If no suitable spare or non-TSP services are available, the Company may preempt an existing TSP service to restore a TSP service with a higher restoration priority assignment. When preemption is necessary, prior consent of the service user whose service will be preempted is not required; however, the Company will make every reasonable effort to notify the preempted customer of the action to be taken.

SECTION 2 – REGULATIONS, (CONT'D.)

2.16 Customer Requested Suspension of Service

2.16.1 Service Description

Upon the Customer's request, the Company will suspend incoming and outgoing service on the Customer's access line for a period of time not to exceed one year. Upon the Customer's request, the Company will provide the Customer with an intercept recording referring callers to another number.

The Company will assess a lower monthly rate for Customer Request Service Suspension as noted below. However, any mileage charges, monthly cable charges or monthly construction charges are still due, without reduction during the period of suspension.

2.16.2 Rates and Charges

Period of Suspension	Charge
First full or partial month	Regular Monthly Rate (no reduction)
Each additional month(Up to one year limit)	One-half Regular Monthly Rate

SECTION 2 – REGULATIONS, (CONT'D.)

2.17 Additional Rules Relating to Resale of Service

All local voice services provided by the Company are intended for retail End User purposes only. The Company does not support any Customer's resale of local services to another end user that has not contracted with the Company. Unless otherwise agreed upon in writing by the Company, the Customer must abide by the following requirements when purchasing any local services:

2.17.1 The Customer must use Company-owned telephone numbers or numbers that are officially ported to the Company in connection with the services.

2.17.2 The Company does not support the inclusion of individual names and/or locations for each telephone number used in connection with the services for Emergency 911 purposes

2.17.3 The Company does not support CARE record (Carrier Access Record) information for each of Customer's end users. The Customer must choose a single primary interexchange carrier for Customer and all of its end users. The Customer and all of its end users must utilize the same interexchange carrier.

2.17.4 The Company does not support the populating of the Customer's end user's caller name for Caller ID purposes. Only one Caller Name will be supported for each Billing Telephone Number provided to the Customer for the services purchased.

2.17.5 The Company does not support individual directory listings for each of the Customer's end users. The Customer may only purchase directory listings that are representative of the Customer's own business name. The Customer must make individual arrangements with the directory service publisher for its end user listings.

2.17.6 The Company will issue invoices only to the Customer for both the Customer's and its end users use of the services. Usage may be detailed by Billing Telephone Number (BTN), but the Company will not bill the Customer's end users for the Services nor does the Company provide billing media to assist the Customer in billing its end users.

2.17.7 The Company does not offer GR303 protocol in connection with the services.

SECTION 2 – REGULATIONS, (CONT'D.)

2.17 Additional Rules Relating to Resale of Service, (Cont'd.)

2.17.8 The Company will accept trouble reports only from the Customer or a Customer provided contact. The Customer's end users contacting the Company will be referred back to the Customer for trouble ticket management.

2.17.9 Unless the Customer provides proof that it is an authorized telecommunications carrier with a Certificate of Public Convenience and Necessity, the Customer agrees that all services purchased hereunder will be subject to taxes, fees, surcharges and assessments based on the Customer's use of the services as an end user.

2.17.10 The Customer who provides voice telecommunication service to end users not located at the Customer's service address agrees to permit the Company to honor porting requests from authorized carriers. The Company will accept a port request from an authorized carrier upon presentation of (i) a letter of authorization from the Customer or (ii) evidence of an assignment from the Customer to end user of the telephone number to be ported. The Company will issue notice that the number has been ported within five (5) business days of completion of the transaction. Such notice shall be sent to the person designated by the Customer.

2.17.11 If permitted by the Commission, the Customer who provides voice telecommunication service to end users located at the Customer's service address (Shared Tenant Service Provider) may request that the Company refuse ports from authorized carriers unless such request includes written authorization from the Customer to port the number. The Company requires that the Customer provide its end users with notification that assigned telephone numbers may not be ported unless agreed to by the Customer.

2.17.12 The Customer agrees to indemnify, defend and hold the Company harmless from all losses, damages or claims of any kind by the Customer's end users and any act or omission of the Customer in connection with any service provided by the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.18 Inside Wire Maintenance and Installation

2.18.1 Terms and Conditions

The Company shall be responsible for delivering Service up to the Demarcation Point, and the Customer is responsible for providing and maintaining any necessary wiring and facilities on the Customer's side of the Demarcation Point. "Demarcation Point" means the Company-designated physical interface between the Company's Network and the Customer's equipment, which point shall be either (i) in the case of a service terminating at a Company owned or controlled premises, the Company's designated distribution panel or network interface device located within such Company premises or (ii) in the case of a Service terminating at Customer's premises, the distribution panel or network interface device located at the common telecommunications ("telco") demarcation at the Customer or end-user premises (e.g., entry point for telco facilities, telco closet or common telco room). If requested by the Customer, the Company may install, coordinate or otherwise arrange for installing or obtaining from third parties, facilities on the Customer's side of the Demarcation Point ("Inside Wiring"). The Customer may request an estimate or a firm bid before ordering wire installation work to be done. When an estimate is provided, the estimate is not binding on the Company and the charge to be billed will be based on the actual time and materials charges incurred. When a firm bid is provided at the Customer's request, the charge to be billed is the amount quoted to the Customer for the work requested.

Inside Wire charges apply per service call when billable premises work is performed on noncomplex premises wire and jacks. Such charges are due and payable when billed.

Noncomplex wire, jacks and materials include:

- 2 to 6 pair inside wire
- Faceplates
- RJ11C, RJ14C, RJ11W and RJ14W type station jacks
- Staples, screws, nail, tape, connectors, etc.

SECTION 2 – REGULATIONS, (CONT'D.)

2.18 Inside Wire Maintenance and Installation, (Cont'd.)

2.18.2 Application of Rates and Charges

The Customer may provide inside wiring for single-line station equipment or may elect to have the Company's technicians install or maintain inside wire.

A. Inside Wire Installation Charge - Installation Charges apply when a Customer requests new noncomplex wire and jack installation or requests existing noncomplex wire and jack moves, changes, removals, rearrangements, replacements or pre-wiring. Material is included in each time increment charge.

B. Inside Wire Maintenance Charge - The Inside Wire Maintenance Charge applies when a Customer requests noncomplex wire and jack maintenance. Material is included in the Time and Materials Charge.

2.18.3 Rates and Charges

Labor	
First Half Hour	$75.00
Each Additional Half Hour	$50.00
Administrative Fee	$100.00
Trip Charge (if required, independent of circuit installation)	$50.00

2.19 Letter of Authorization / Carrier Facility Assignment

If the Customer intends to connect the services to facilities that neither it nor the Company owns, it must provide the Company with and maintain (for the Service Term) a current letter of authorization and carrier facility assignment, as applicable.

SECTION 3 - APPLICATION OF RATES

3.1 Introduction

The regulations set forth in this Section govern the application of rates for services contained in all other Sections of this tariff.

3.2 Usage Based Charges

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

3.2.1 Calls are measured in billing increments identified for each service. All calls which are fractions of a measurement increment are rounded-up to the next whole unit.

3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person to person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.

3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.

3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.

3.2.5 All times refer to local time.

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.3 Rates Based Upon Distance

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

3.3.1 Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in Local Exchange Routing Guide issued by Telcordia, 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). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated toll free service or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

3.3.2 The airline distance between any two rate centers is determined as follows:

A. Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced Telcordia document.

B. Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.

C. Square each difference obtained in step B above.

D. Add the square of the "V" difference and the square of the "H" difference obtained in step C above.

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

F. 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.

G. FORMULA

$$\sqrt{\frac{|V_1 - V_2|^2 + |H_1 - H_2|^2}{10}}$$

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.4 Maintenance Visit Charges

Maintenance Visit Charges apply when the Company dispatches personnel to a Customer's premises to perform work necessary for resolving troubles reported by the Customer and the trouble is found to be caused by the Customer's facilities.

Maintenance Visit Charges will be credited to the Customer's account in the event trouble is not found in the Company facilities, but the trouble is later determined to be in those facilities.

The time period for which the Maintenance Visit Charges is applied will commence when Company personnel are dispatched to the Customer's premises and end when work is completed. The rates for maintenance vary by time per Customer request. Refer to Section 2.7.6 for rates.

3.5 Restoration of Service

3.5.1 Description

A restoration charge applies to the restoration of suspended service and facilities because of nonpayment of bills and is payable at the time the restoration of the suspended service and facilities is arranged. The Company may require the Customer to pay a deposit prior to the restoration of the suspended service and facilities.

3.5.2 Rates

Restoration Charge:	$50.00

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.6 Move and Change of Service

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the Connection Charge for the underlying service will apply as if the Company had done the work.

The Customer will be assessed a charge for any move or change of a Company service. Move and Change are defined as follows:

Move: A change in physical location of the Customer's premises or the point of termination at the Customer's premises. Charges equal to initial installation charge apply.

Change: A revision, redesign or other provisioning change to existing services.

Change Order	Minimum Nonrecurring Charge, each
Feature/Facility Change Charge	$50.00

3.7 Records Order Change

3.7.1 A Records Order Change is a request for a change that impacts only the records of a Customer's service and not any physical change to the service.

3.7.2 Rates

Records Order Change Charge	$20.00

SECTION 4 - SERVICE AREAS

4.1 Scope of Service

The Company offers Local Exchange Service, subject to the availability of facilities and equipment, in the exchanges and local calling areas currently served by the Incumbent Local Exchange Company (LEC).

4.2 Calling Areas

Geographically-defined Local Calling Areas are associated with each exchange service provided in this tariff. The Local Calling Areas of the Company are the same as the Local Calling Areas specified by the incumbent local exchange carrier in the same areas served by the Company.

SECTION 5 - NETWORK SERVICES

5.1 Service Offerings - General

5.1.1 Description

A. The Company undertakes to provide Non-Residential Customers with the following types of network services:

Converged Voice Service
FlexVoice℠ Service
SIP Trunking Service

B. All services offered in this tariff are subject to Nonrecurring and Monthly Recurring Charges.

C. These services provide a Customer with the ability to connect its terminal equipment, inside wiring, or transmission facilities to the Company's switched network for the origination and reception or telephonic communications, and includes optional features designed to facilitate the use or expand the functionality of communications services. Services may be provided by the use of the Company's own facilities, by resale of services provided by other telephone companies, or by a combination of these methods.

D. Service is intended for end user applications with local usage not to exceed 200,000 minutes per month. Terms and conditions, rates and charges for applications exceeding 200,000 minutes of local usage per month will be determined on an individual case basis. If the Customer's actual usage exceeds 200,000 minutes of local usage per month, the Company may, upon 30 days written notice, re-calculate and adjust the monthly recurring rates to be charged to the Customer. If the Customer does not accept the adjusted rates, it may upon notice to the Company terminate the Service. Termination liability charges may apply as specified elsewhere in this tariff.

E. To the extent facilities are available, services offered under this tariff are provided by the Company on an On-Net basis. Unless otherwise noted, prices for services offered under this tariff reflect the On-Net price for such services. Where service is provided on an Off-Net basis, additional charges may apply. If during a contract period the Company brings a Customer's service onto the Company network, pricing for the original configuration shall continue to apply for the duration of the contract period.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service

5.2.1 General

tw telecom Converged Voice Service is a flexible bandwidth bundled service consisting of local exchange service with selected features, a Long Distance and/or Toll Free usage allowance and the option of adding Internet Access and/or Virtual Private Network (VPN) service as specified in the Company's Private Line rate schedule.

All Converged Voice services include a fully managed integrated access device placed at the Customer premises. Services can be provided via a TDM interface (T1 or DS3) or via an Ethernet interface in a wide range of bandwidth options as shown in the pricing tables below.

The Customer is solely responsible for the acquisition, repair and maintenance of any back-up power system that the Customer deems necessary to support its telecommunications systems. In the event of a power failure, the absence or failure of a battery back-up system will result in the loss of use of the Converged Voice Service, including 911 service. The Company has no liability or responsibility for such loss of service.

The Customer receives a long distance allowance which may be used for 1+ and/or toll free services, based on the call package purchased. Additional Toll Services are provided pursuant to the Company's published rate schedules and rate schedules.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.1 General, (Cont'd.)

The Customer must purchase a minimum of 4 and a maximum of 50 voice channels, which may be a combination of analog business lines and digital trunks, or analog business lines and PRI channels. Combinations of digital trunks and PRI channels are not available. Only one trunk group may be provisioned per service location. The Customer must select a call package based upon the desired number of simultaneous calls (voice channels). The remaining available bandwidth, including excess bandwidth available when all voice services are not in use, will be dynamically allocated to Internet access and/or VPN services depending on the bundle purchased. Some combinations of voice services may be unavailable due to equipment limitations. Applications where more than 10% of daily call volume is used for faxing or other modem related activities are not supported.

The Customer who adds VPN service to a Converged Service bundle will have the option of upgrading to a Premium bundle by adding Class of Service (CoS), as described in the Company's Private Line rate schedule, for an additional charge. Adding CoS will reduce the number of voice channels available at a given bandwidth.

For the Customer who selects line based channels, the Deluxe Feature Package defined in Section 6.1.3 is available at no additional charge. The Customer is also eligible to purchase the Custom Feature Package as defined in Section 6.1.3. The Customer will also receive the first 100 telephone numbers (Individual Telephone Numbers (ITN), Virtual Telephone Numbers (VTN) and Remote Telephone Number (RTN)) per service location at no charge. Additional ITNs will be charged as described in Section 6.17. Additional VTNs will be charged as described in Section 6.18. Additional RTNs are charged as described in Section 6.19.

Three distinct bundles are available:

A. Voice + Internet

The Customer designates the number of voice channels to be configured as described above. The remaining available bandwidth, including excess bandwidth available when all voice services are not in use, will be dynamically allocated for Internet access service.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.1 General, (Cont'd.)

B. Voice + VPN

The Customer designates the number of voice channels to be configured as described above. The remaining available bandwidth, including excess bandwidth available when all voice services are not in use, will be dynamically allocated for VPN access service.

C. Voice + VPN + Secure Internet Access

The Customer designates the number of voice channels to be configured as described above. The remaining available bandwidth, including excess bandwidth available when all voice services are not in use, will be dynamically allocated for VPN and Secure Internet Access services.

5.2.2 Application of Rates and Charges

Converged Voice Service is comprised of two rate elements; a service bundle and a transport charge. To the extent facilities are available, services offered under this tariff are provided by the Company on an On-Net basis. Unless otherwise noted, prices for services offered under this tariff reflect the On-Net price for such services. Where service is provided on an Off-Net basis, additional charges may apply.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges

A. Converged Voice + Internet

All rates are applied per service location:

1. T1 Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
1.5	4 - 8	6500	$500	$361	$328	$303	$287
	9 - 12	6500	$500	$426	$387	$358	$338
3	4 - 8	6500	$750	$389	$353	$327	$310
	9 - 12	6500	$750	$454	$412	$382	$361
	13 - 18	6500	$750	$527	$479	$442	$419
	19 - 24	6500	$750	$606	$551	$508	$481
4.5	4 - 8	6500	$750	$429	$389	$362	$342
	9 - 12	6500	$750	$494	$448	$417	$393
	13 - 18	6500	$750	$567	$515	$477	$451
	19 - 24	6500	$750	$646	$587	$543	$513
	25 - 30	6500	$750	$731	$665	$614	$581
	31 - 36	13000	$750	$815	$743	$684	$648
6*	4 - 8	6500	$750	$470	$426	$396	$374
	9 - 12	6500	$750	$535	$485	$451	$425
	13 - 18	6500	$750	$608	$552	$511	$483
	19 - 24	6500	$750	$687	$624	$577	$545
	25 - 30	6500	$750	$772	$702	$648	$613
	31 - 36	13000	$750	$856	$780	$718	$680
	37 - 42	13000	$750	$927	$844	$777	$736
	43 - 50	13000	$750	$1,023	$933	$857	$812
7.5	4 - 8	6500	$750	$515	$466	$434	$410
	9 - 12	6500	$750	$580	$525	$489	$461
	13 - 18	6500	$750	$653	$592	$549	$519
	19 - 24	6500	$750	$732	$664	$615	$581
	25 - 30	6500	$750	$817	$742	$686	$649
	31 - 36	13000	$750	$901	$820	$756	$716
	37 - 42	13000	$750	$972	$884	$815	$772
	43 - 50	13000	$750	$1,068	$973	$895	$848

* T1 provisioning of 6 Mbps only supports analog lines (PRI and digital trunks are not available)

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
9	4 - 8	6500	$750	$555	$502	$469	$443
	9 - 12	6500	$750	$620	$561	$524	$494
	13 - 18	6500	$750	$693	$628	$584	$552
	19 - 24	6500	$750	$772	$700	$650	$614
	25 - 30	6500	$750	$857	$778	$721	$682
	31 - 36	13000	$750	$941	$856	$791	$749
	37 - 42	13000	$750	$1,012	$920	$850	$805
	43 - 50	13000	$750	$1,108	$1,009	$930	$881
10.5	4 - 8	6500	$750	$596	$539	$503	$475
	9 - 12	6500	$750	$661	$598	$558	$526
	13 - 18	6500	$750	$734	$665	$618	$584
	19 - 24	6500	$750	$813	$737	$684	$646
	25 - 30	6500	$750	$898	$815	$755	$714
	31 - 36	13000	$750	$982	$893	$825	$781
	37 - 42	13000	$750	$1,053	$957	$884	$837
	43 - 50	13000	$750	$1,149	$1,046	$964	$913
12	4 - 8	6500	$750	$627	$567	$530	$500
	9 - 12	6500	$750	$692	$626	$585	$551
	13 - 18	6500	$750	$765	$693	$645	$609
	19 - 24	6500	$750	$844	$765	$711	$671
	25 - 30	6500	$750	$929	$843	$782	$739
	31 - 36	13000	$750	$1,013	$921	$852	$806
	37 - 42	13000	$750	$1,084	$985	$911	$862
	43 - 50	13000	$750	$1,180	$1,074	$991	$938

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
12	4 - 8	6500	$750	$627	$567	$530	$500
	9 - 12	6500	$750	$692	$626	$585	$551
	13 - 18	6500	$750	$765	$693	$645	$609
	19 - 24	6500	$750	$844	$765	$711	$671
	25 - 30	6500	$750	$929	$843	$782	$739
	31 - 36	13000	$750	$1,013	$921	$852	$806
	37 - 42	13000	$750	$1,084	$985	$911	$862
	43 - 50	13000	$750	$1,180	$1,074	$991	$938
15	4 - 8	6500	$750	$695	$628	$587	$554
	9 - 12	6500	$750	$760	$687	$642	$605
	13 - 18	6500	$750	$833	$754	$702	$663
	19 - 24	6500	$750	$912	$826	$768	$725
	25 - 30	6500	$750	$997	$904	$839	$793
	31 - 36	13000	$750	$1,081	$982	$909	$860
	37 - 42	13000	$750	$1,152	$1,046	$968	$916
	43 - 50	13000	$750	$1,248	$1,135	$1,048	$992
18	4 - 8	6500	$750	$742	$670	$628	$592
	9 - 12	6500	$750	$807	$730	$683	$644
	13 - 18	6500	$750	$880	$797	$743	$701
	19 - 24	6500	$750	$959	$869	$809	$764
	25 - 30	6500	$750	$1,044	$947	$880	$831
	31 - 36	13000	$750	$1,129	$1,025	$950	$898
	37 - 42	13000	$750	$1,199	$1,089	$1,009	$954
	43 - 50	13000	$750	$1,295	$1,178	$1,089	$1,030
21	4 - 8	6500	$750	$830	$749	$702	$662
	9 - 12	6500	$750	$895	$808	$757	$713
	13 - 18	6500	$750	$968	$875	$817	$771
	19 - 24	6500	$750	$1,047	$947	$883	$833
	25 - 30	6500	$750	$1,132	$1,025	$954	$901

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
21	31 - 36	13000	$750	$1,216	$1,103	$1,024	$968
	37 - 42	13000	$750	$1,287	$1,167	$1,083	$1,024
	43 - 50	13000	$750	$1,383	$1,256	$1,163	$1,100
24	4 - 8	6500	$750	$897	$810	$759	$716
	9 - 12	6500	$750	$962	$869	$814	$767
	13 - 18	6500	$750	$1,035	$936	$874	$825
	19 - 24	6500	$750	$1,114	$1,008	$940	$887
	25 - 30	6500	$750	$1,199	$1,086	$1,011	$955
	31 - 36	13000	$750	$1,283	$1,164	$1,081	$1,022
	37 - 42	13000	$750	$1,354	$1,228	$1,140	$1,078
	43 - 50	13000	$750	$1,450	$1,317	$1,220	$1,154
27	4 - 8	6500	$750	$965	$871	$817	$770
	9 - 12	6500	$750	$1,030	$930	$872	$821
	13 - 18	6500	$750	$1,103	$997	$932	$879
	19 - 24	6500	$750	$1,182	$1,069	$998	$941
	25 - 30	6500	$750	$1,267	$1,147	$1,069	$1,009
	31 - 36	13000	$750	$1,351	$1,225	$1,139	$1,076
	37 - 42	13000	$750	$1,422	$1,289	$1,198	$1,132
	43 - 50	13000	$750	$1,518	$1,378	$1,278	$1,208
30	4 - 8	6500	$750	$1,032	$932	$875	$824
	9 - 12	6500	$750	$1,097	$991	$930	$875
	13 - 18	6500	$750	$1,170	$1,058	$990	$933
	19 - 24	6500	$750	$1,249	$1,130	$1,056	$995
	25 - 30	6500	$750	$1,334	$1,208	$1,127	$1,063
	31 - 36	13000	$750	$1,418	$1,286	$1,197	$1,130
	37 - 42	13000	$750	$1,489	$1,350	$1,256	$1,186
	43 - 50	13000	$750	$1,585	$1,439	$1,336	$1,262

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
42	4 - 8	6500	$750	$1,302	$1,175	$1,104	$1,040
	9 - 12	6500	$750	$1,367	$1,234	$1,159	$1,091
	13 - 18	6500	$750	$1,440	$1,301	$1,219	$1,149
	19 - 24	6500	$750	$1,519	$1,373	$1,285	$1,211
	25 - 30	6500	$750	$1,604	$1,451	$1,356	$1,279
	31 - 36	13000	$750	$1,688	$1,529	$1,426	$1,346
	37 - 42	13000	$750	$1,759	$1,593	$1,485	$1,402
	43 - 50	13000	$750	$1,855	$1,682	$1,565	$1,478
45	4 - 8	6500	$750	$1,370	$1,236	$1,161	$1,094
	9 - 12	6500	$750	$1,435	$1,295	$1,216	$1,145
	13 - 18	6500	$750	$1,508	$1,362	$1,276	$1,203
	19 - 24	6500	$750	$1,587	$1,434	$1,342	$1,265
	25 - 30	6500	$750	$1,672	$1,512	$1,413	$1,333
	31 - 36	13000	$750	$1,756	$1,590	$1,483	$1,400
	37 - 42	13000	$750	$1,827	$1,654	$1,542	$1,456
	43 - 50	13000	$750	$1,923	$1,743	$1,622	$1,532

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
2	4 - 8	6500	$750	$361	$328	$303	$287
	9 - 15	6500	$750	$426	$387	$358	$338
4	4 - 8	6500	$750	$416	$377	$350	$331
	9 - 15	6500	$750	$481	$436	$405	$382
	16 - 21	6500	$750	$633	$575	$531	$502
	22 - 30	6500	$750	$718	$653	$602	$570
6	4 - 8	6500	$750	$470	$426	$396	$374
	9 - 15	6500	$750	$535	$485	$451	$425
	16 - 21	6500	$750	$687	$624	$577	$545
	22 - 30	6500	$750	$772	$702	$648	$613
	31 - 37	13000	$750	$856	$780	$718	$680
	38 - 45	13000	$750	$927	$844	$777	$736
8	4 - 8	6500	$750	$528	$478	$446	$421
	9 - 15	6500	$750	$593	$537	$501	$472
	16 - 21	6500	$750	$745	$676	$627	$592
	22 - 30	6500	$750	$830	$754	$698	$660
	31 - 37	13000	$750	$914	$832	$768	$727
	38 - 45	13000	$750	$985	$896	$827	$783
10	4 - 8	6500	$750	$582	$527	$492	$464
	9 - 15	6500	$750	$647	$586	$547	$515
	16 - 21	6500	$750	$799	$725	$673	$635
	22 - 30	6500	$750	$884	$803	$744	$703
	31 - 37	13000	$750	$968	$881	$814	$770
	38 - 45	13000	$750	$1,039	$945	$873	$826
	46 - 50	13000	$750	$1,135	$1,034	$953	$902

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
15	4 - 8	6500	$750	$695	$628	$587	$554
	9 - 15	6500	$750	$760	$687	$642	$605
	16 - 21	6500	$750	$912	$826	$768	$725
	22 - 30	6500	$750	$997	$904	$839	$793
	31 - 37	13000	$750	$1,081	$982	$909	$860
	38 - 45	13000	$750	$1,152	$1,046	$968	$916
	46 - 50	13000	$750	$1,248	$1,135	$1,048	$992
20	4 - 8	6500	$750	$807	$729	$683	$644
	9 - 15	6500	$750	$872	$788	$738	$695
	16 - 21	6500	$750	$1,024	$927	$864	$815
	22 - 30	6500	$750	$1,109	$1,005	$935	$883
	31 - 37	13000	$750	$1,193	$1,083	$1,005	$950
	38 - 45	13000	$750	$1,264	$1,147	$1,064	$1,006
	46 - 50	13000	$750	$1,360	$1,236	$1,144	$1,082
25	4 - 8	6500	$750	$920	$831	$778	$734
	9 - 15	6500	$750	$985	$890	$833	$785
	16 - 21	6500	$750	$1,137	$1,029	$959	$905
	22 - 30	6500	$750	$1,222	$1,107	$1,030	$973
	31 - 37	13000	$750	$1,306	$1,185	$1,100	$1,040
	38 - 45	13000	$750	$1,377	$1,249	$1,159	$1,096
	46 - 50	13000	$750	$1,473	$1,338	$1,239	$1,172
30	4 - 8	6500	$750	$1,032	$932	$875	$824
	9 - 15	6500	$750	$1,097	$991	$930	$875
	16 - 21	6500	$750	$1,249	$1,130	$1,056	$995
	22 - 30	6500	$750	$1,334	$1,208	$1,127	$1,063
	31 - 37	13000	$750	$1,418	$1,286	$1,197	$1,130
	38 - 45	13000	$750	$1,489	$1,350	$1,256	$1,186
	46 - 50	13000	$750	$1,585	$1,439	$1,336	$1,262

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
35	4 - 8	6500	$750	$1,145	$1,033	$970	$914
	9 - 15	6500	$750	$1,210	$1,092	$1,025	$965
	16 - 21	6500	$750	$1,362	$1,231	$1,151	$1,085
	22 - 30	6500	$750	$1,447	$1,309	$1,222	$1,153
	31 - 37	13000	$750	$1,531	$1,387	$1,292	$1,220
	38 - 45	13000	$750	$1,602	$1,451	$1,351	$1,276
	46 - 50	13000	$750	$1,698	$1,540	$1,431	$1,352
40	4 - 8	6500	$750	$1,257	$1,134	$1,065	$1,004
	9 - 15	6500	$750	$1,322	$1,193	$1,120	$1,055
	16 - 21	6500	$750	$1,474	$1,332	$1,246	$1,175
	22 - 30	6500	$750	$1,559	$1,410	$1,317	$1,243
	31 - 37	13000	$750	$1,643	$1,488	$1,387	$1,310
	38 - 45	13000	$750	$1,714	$1,552	$1,446	$1,366
	46 - 50	13000	$750	$1,810	$1,641	$1,526	$1,442
45	4 - 8	6500	$750	$1,370	$1,236	$1,161	$1,094
	9 - 15	6500	$750	$1,435	$1,295	$1,216	$1,145
	16 - 21	6500	$750	$1,587	$1,434	$1,342	$1,265
	22 - 30	6500	$750	$1,672	$1,512	$1,413	$1,333
	31 - 37	13000	$750	$1,756	$1,590	$1,483	$1,400
	38 - 45	13000	$750	$1,827	$1,654	$1,542	$1,456
	46 - 50	13000	$750	$1,923	$1,743	$1,622	$1,532
50	4 - 8	6500	$750	$1,482	$1,337	$1,257	$1,184
	9 - 15	6500	$750	$1,547	$1,396	$1,312	$1,235
	16 - 21	6500	$750	$1,699	$1,535	$1,438	$1,355
	22 - 30	6500	$750	$1,784	$1,613	$1,509	$1,423
	31 - 37	13000	$750	$1,868	$1,691	$1,579	$1,490
	38 - 45	13000	$750	$1,939	$1,755	$1,638	$1,546
	46 - 50	13000	$750	$2,035	$1,844	$1,718	$1,622

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
55	4 - 8	6500	$750	$1,523	$1,374	$1,291	$1,217
	9 - 15	6500	$750	$1,588	$1,433	$1,346	$1,268
	16 - 21	6500	$750	$1,740	$1,572	$1,472	$1,388
	22 - 30	6500	$750	$1,825	$1,650	$1,543	$1,456
	31 - 37	13000	$750	$1,909	$1,728	$1,613	$1,523
	38 - 45	13000	$750	$1,980	$1,792	$1,672	$1,579
	46 - 50	13000	$750	$2,076	$1,881	$1,752	$1,655
60	4 - 8	6500	$750	$1,568	$1,414	$1,329	$1,253
	9 - 15	6500	$750	$1,633	$1,473	$1,384	$1,304
	16 - 21	6500	$750	$1,785	$1,612	$1,510	$1,424
	22 - 30	6500	$750	$1,870	$1,690	$1,581	$1,492
	31 - 37	13000	$750	$1,954	$1,768	$1,651	$1,559
	38 - 45	13000	$750	$2,025	$1,832	$1,710	$1,615
	46 - 50	13000	$750	$2,121	$1,921	$1,790	$1,691
65	4 - 8	6500	$750	$1,608	$1,450	$1,364	$1,285
	9 - 15	6500	$750	$1,673	$1,509	$1,419	$1,336
	16 - 21	6500	$750	$1,825	$1,648	$1,545	$1,456
	22 - 30	6500	$750	$1,910	$1,726	$1,616	$1,524
	31 - 37	13000	$750	$1,994	$1,804	$1,686	$1,591
	38 - 45	13000	$750	$2,065	$1,868	$1,745	$1,647
	46 - 50	13000	$750	$2,161	$1,957	$1,825	$1,723
75	4 - 8	6500	$750	$1,694	$1,528	$1,436	$1,354
	9 - 15	6500	$750	$1,759	$1,587	$1,491	$1,405
	16 - 21	6500	$750	$1,911	$1,726	$1,617	$1,525
	22 - 30	6500	$750	$1,996	$1,804	$1,688	$1,593
	31 - 37	13000	$750	$2,080	$1,882	$1,758	$1,660
	38 - 45	13000	$750	$2,151	$1,946	$1,817	$1,716
	46 - 50	13000	$750	$2,247	$2,035	$1,897	$1,792

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)	Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
				12 Months	24 Months	36 Months	60 Months
80	4 - 8	6500	$750	$1,734	$1,564	$1,471	$1,386
	9 - 15	6500	$750	$1,799	$1,623	$1,526	$1,437
	16 - 21	6500	$750	$1,951	$1,762	$1,652	$1,557
	22 - 30	6500	$750	$2,036	$1,840	$1,723	$1,625
	31 - 37	13000	$750	$2,120	$1,918	$1,793	$1,692
	38 - 45	13000	$750	$2,191	$1,982	$1,852	$1,748
	46 - 50	13000	$750	$2,287	$2,071	$1,932	$1,824
100	4 - 8	6500	$750	$1,905	$1,717	$1,616	$1,523
	9 - 15	6500	$750	$1,970	$1,776	$1,671	$1,574
	16 - 21	6500	$750	$2,122	$1,915	$1,797	$1,694
	22 - 30	6500	$750	$2,207	$1,993	$1,868	$1,762
	31 - 37	13000	$750	$2,291	$2,071	$1,938	$1,829
	38 - 45	13000	$750	$2,362	$2,135	$1,997	$1,885
	46 - 50	13000	$750	$2,458	$2,224	$2,077	$1,961
125	4 - 8	6500	$750	$2,214	$1,996	$1,879	$1,770
	9 - 15	6500	$750	$2,279	$2,055	$1,934	$1,821
	16 - 21	6500	$750	$2,431	$2,194	$2,060	$1,941
	22 - 30	6500	$750	$2,516	$2,272	$2,131	$2,009
	31 - 37	13000	$750	$2,600	$2,350	$2,201	$2,076
	38 - 45	13000	$750	$2,671	$2,414	$2,260	$2,132
	46 - 50	13000	$750	$2,767	$2,503	$2,340	$2,208

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

A. Converged Voice + Internet, (Cont'd.)

All rates are applied per service location:

4. Transport

Bandwidth (Mbps)	Nonrecurring Charge	Monthly Recurring Charge			
		12 Months	24 Months	36 Months	60 Months
T1	$0	$0	$0	$0	$0
DS3	$0	$0	$0	$0	$0
Ethernet 10 Mbps	$0	$0	$0	$0	$0
Ethernet 100 Mbps	$0	$0	$0	$0	$0

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN

All rates are applied per service location:

1. T1 Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
1.5	4 - 8	Basic	6500	$500	$509	$461	$430	$406
	9 - 12		6500	$500	$574	$520	$485	$457
1.5	4 - 8	Premium	6500	$500	$509	$461	$430	$406
3	4 - 8	Basic	6500	$750	$624	$565	$527	$498
	9 - 12		6500	$750	$689	$624	$582	$549
	13 - 18		6500	$750	$762	$691	$642	$607
	19 - 24		6500	$750	$841	$763	$708	$669
3	4 - 8	Premium	6500	$750	$624	$565	$527	$498
	9 - 16		6500	$750	$689	$624	$582	$549
4.5	4 - 8	Basic	6500	$750	$744	$673	$629	$594
	9 - 12		6500	$750	$809	$732	$684	$645
	13 - 18		6500	$750	$882	$799	$744	$703
	19 - 24		6500	$750	$961	$871	$810	$765
	25 - 30		6500	$750	$1,046	$949	$881	$833
	31 - 36		13000	$750	$1,130	$1,027	$951	$900
4.5	4 - 8	Premium	6500	$750	$744	$673	$629	$594
	9 - 16		6500	$750	$809	$732	$684	$645
	17 - 24		6500	$750	$961	$871	$810	$765
6*	4 - 8	Basic	6500	$750	$864	$781	$731	$690
	9 - 12		6500	$750	$929	$840	$786	$741
	13 - 18		6500	$750	$1,002	$907	$846	$799
	19 - 24		6500	$750	$1,081	$979	$912	$861
	25 - 30		6500	$750	$1,166	$1,057	$983	$929
	31 - 36		13000	$750	$1,250	$1,135	$1,053	$996
	37 - 42		13000	$750	$1,321	$1,199	$1,112	$1,052
	43 - 50		13000	$750	$1,417	$1,288	$1,192	$1,128

* T1 provisioning of 6 Mbps only supports analog lines (PRI and digital trunks are not available)

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
6*	4 - 8	Premium	6500	$750	$864	$781	$731	$690
	9 - 16		6500	$750	$929	$840	$786	$741
	17 - 24		6500	$750	$1,081	$979	$912	$861
	25 - 32		6500	$750	$1,166	$1,057	$983	$929
7.5	4 - 8	Basic	6500	$750	$984	$889	$833	$786
	9 - 12		6500	$750	$1,049	$948	$888	$837
	13 - 18		6500	$750	$1,122	$1,015	$948	$895
	19 - 24		6500	$750	$1,201	$1,087	$1,014	$957
	25 - 30		6500	$750	$1,286	$1,165	$1,085	$1,025
	31 - 36		13000	$750	$1,370	$1,243	$1,155	$1,092
	37 - 42		13000	$750	$1,441	$1,307	$1,214	$1,148
	43 - 50		13000	$750	$1,537	$1,396	$1,294	$1,224
7.5	4 - 8	Premium	6500	$750	$984	$889	$833	$786
	9 - 16		6500	$750	$1,049	$948	$888	$837
	17 - 24		6500	$750	$1,201	$1,087	$1,014	$957
	25 - 32		6500	$750	$1,286	$1,165	$1,085	$1,025
	33 - 40		13000	$750	$1,441	$1,307	$1,214	$1,148
9	4 - 8	Basic	6500	$750	$1,104	$997	$935	$882
	9 - 12		6500	$750	$1,169	$1,056	$990	$933
	13 - 18		6500	$750	$1,242	$1,123	$1,050	$991
	19 - 24		6500	$750	$1,321	$1,195	$1,116	$1,053
	25 - 30		6500	$750	$1,406	$1,273	$1,187	$1,121
	31 - 36		13000	$750	$1,490	$1,351	$1,257	$1,188
	37 - 42		13000	$750	$1,561	$1,415	$1,316	$1,244
	43 - 50		13000	$750	$1,657	$1,504	$1,396	$1,320

* T1 provisioning of 6 Mbps only supports analog lines (PRI and digital trunks are not available)

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
9	4 - 8	Premium	6500	$750	$1,104	$997	$935	$882
	9 - 16		6500	$750	$1,169	$1,056	$990	$933
	17 - 24		6500	$750	$1,321	$1,195	$1,116	$1,053
	25 - 32		6500	$750	$1,406	$1,273	$1,187	$1,121
	33 - 40		13000	$750	$1,561	$1,415	$1,316	$1,244
	41 - 50		13000	$750	$1,657	$1,504	$1,396	$1,320
10.5	4 - 8	Basic	6500	$750	$1,204	$1,087	$1,020	$962
	9 - 12		6500	$750	$1,269	$1,146	$1,075	$1,013
	13 - 18		6500	$750	$1,342	$1,213	$1,135	$1,071
	19 - 24		6500	$750	$1,421	$1,285	$1,201	$1,133
	25 - 30		6500	$750	$1,506	$1,363	$1,272	$1,201
	31 - 36		13000	$750	$1,590	$1,441	$1,342	$1,268
	37 - 42		13000	$750	$1,661	$1,505	$1,401	$1,324
	43 - 50		13000	$750	$1,757	$1,594	$1,481	$1,400
10.5	4 - 8	Premium	6500	$750	$1,204	$1,087	$1,020	$962
	9 - 16		6500	$750	$1,269	$1,146	$1,075	$1,013
	17 - 24		6500	$750	$1,421	$1,285	$1,201	$1,133
	25 - 32		6500	$750	$1,506	$1,363	$1,272	$1,201
	33 - 40		13000	$750	$1,661	$1,505	$1,401	$1,324
	41 - 50		13000	$750	$1,757	$1,594	$1,481	$1,400
12	4 - 8	Basic	6500	$750	$1,274	$1,150	$1,080	$1,018
	9 - 12		6500	$750	$1,339	$1,209	$1,135	$1,069
	13 - 18		6500	$750	$1,412	$1,276	$1,195	$1,127
	19 - 24		6500	$750	$1,491	$1,348	$1,261	$1,189
	25 - 30		6500	$750	$1,576	$1,426	$1,332	$1,257
	31 - 36		13000	$750	$1,660	$1,504	$1,402	$1,324
	37 - 42		13000	$750	$1,731	$1,568	$1,461	$1,380
	43 - 50		13000	$750	$1,827	$1,657	$1,541	$1,456

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
12	4 - 8	Premium	6500	$750	$1,274	$1,150	$1,080	$1,018
	9 - 16		6500	$750	$1,339	$1,209	$1,135	$1,069
	17 - 24		6500	$750	$1,491	$1,348	$1,261	$1,189
	25 - 32		6500	$750	$1,576	$1,426	$1,332	$1,257
	33 - 40		13000	$750	$1,731	$1,568	$1,461	$1,380
	41 - 50		13000	$750	$1,827	$1,657	$1,541	$1,456

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

2. Ethernet Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
2	4 - 8	Basic	6500	$750	$544	$493	$459	$434
	9 - 15		6500	$750	$609	$552	$514	$485
2	4 - 10	Premium	6500	$750	$544	$493	$459	$434
4	4 - 8	Basic	6500	$750	$704	$637	$595	$562
	9 - 15		6500	$750	$769	$696	$650	$613
	16 - 21		6500	$750	$921	$835	$776	$733
	22 - 30		6500	$750	$1,006	$913	$847	$801
4	4 - 10	Premium	6500	$750	$704	$637	$595	$562
	11 - 20		6500	$750	$921	$835	$776	$733
6	4 - 8	Basic	6500	$750	$864	$781	$731	$690
	9 - 15		6500	$750	$929	$840	$786	$741
	16 - 21		6500	$750	$1,081	$979	$912	$861
	22 - 30		6500	$750	$1,166	$1,057	$983	$929
	31 - 37		13000	$750	$1,250	$1,135	$1,053	$996
	38 - 45		13000	$750	$1,321	$1,199	$1,112	$1,052
6	4 - 10	Premium	6500	$750	$864	$781	$731	$690
	11 - 20		6500	$750	$1,081	$979	$912	$861
	21 - 30		6500	$750	$1,166	$1,057	$983	$929
8	4 - 8	Basic	6500	$750	$1,024	$925	$867	$818
	9 - 15		6500	$750	$1,089	$984	$922	$869
	16 - 21		6500	$750	$1,241	$1,123	$1,048	$989
	22 - 30		6500	$750	$1,326	$1,201	$1,119	$1,057
	31 - 37		13000	$750	$1,410	$1,279	$1,189	$1,124
	38 - 45		13000	$750	$1,481	$1,343	$1,248	$1,180
	46 - 50		13000	$750	$1,725	$1,565	$1,454	$1,374

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

2. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
8	4 - 10	Premium	6500	$750	$1,024	$925	$867	$818
	11 - 20		6500	$750	$1,241	$1,123	$1,048	$989
	21 - 30		6500	$750	$1,326	$1,201	$1,119	$1,057
	31 - 40		13000	$750	$1,410	$1,279	$1,189	$1,124
10	4 - 8	Basic	6500	$750	$1,184	$1,069	$1,003	$946
	9 - 15		6500	$750	$1,249	$1,128	$1,058	$997
	16 - 21		6500	$750	$1,401	$1,267	$1,184	$1,117
	22 - 30		6500	$750	$1,486	$1,345	$1,255	$1,185
	31 - 37		13000	$750	$1,570	$1,423	$1,325	$1,252
	38 - 45		13000	$750	$1,641	$1,487	$1,384	$1,308
	46 - 50		13000	$750	$1,737	$1,576	$1,464	$1,384
10	4 - 10	Premium	6500	$750	$1,184	$1,069	$1,003	$946
	11 - 20		6500	$750	$1,401	$1,267	$1,184	$1,117
	21 - 30		6500	$750	$1,486	$1,345	$1,255	$1,185
	31 - 40		13000	$750	$1,570	$1,423	$1,325	$1,252
	41 - 50		13000	$750	$1,737	$1,576	$1,464	$1,384
15	4 - 8	Basic	6500	$750	$1,404	$1,267	$1,190	$1,122
	9 - 15		6500	$750	$1,469	$1,326	$1,245	$1,173
	16 - 21		6500	$750	$1,621	$1,465	$1,371	$1,293
	22 - 30		6500	$750	$1,706	$1,543	$1,442	$1,361
	31 - 37		13000	$750	$1,790	$1,621	$1,512	$1,428
	38 - 45		13000	$750	$1,861	$1,685	$1,571	$1,484
	46 - 50		13000	$750	$1,957	$1,774	$1,651	$1,560
15	4 - 10	Premium	6500	$750	$1,404	$1,267	$1,190	$1,122
	11 - 20		6500	$750	$1,621	$1,465	$1,371	$1,293
	21 - 30		6500	$750	$1,706	$1,543	$1,442	$1,361
	31 - 40		13000	$750	$1,790	$1,621	$1,512	$1,428
	41 - 50		13000	$750	$1,957	$1,774	$1,651	$1,560

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

2. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
20	4 - 8	Basic	6500	$750	$1,629	$1,469	$1,382	$1,302
	9 - 15		6500	$750	$1,694	$1,528	$1,437	$1,353
	16 - 21		6500	$750	$1,846	$1,667	$1,563	$1,473
	22 - 30		6500	$750	$1,931	$1,745	$1,634	$1,541
	31 - 37		13000	$750	$2,015	$1,823	$1,704	$1,608
	38 - 45		13000	$750	$2,086	$1,887	$1,763	$1,664
	46 - 50		13000	$750	$2,182	$1,976	$1,843	$1,740
20	4 - 10	Premium	6500	$750	$1,629	$1,469	$1,382	$1,302
	11 - 20		6500	$750	$1,846	$1,667	$1,563	$1,473
	21 - 30		6500	$750	$1,931	$1,745	$1,634	$1,541
	31 - 40		13000	$750	$2,015	$1,823	$1,704	$1,608
	41 - 50		13000	$750	$2,182	$1,976	$1,843	$1,740
25	4 - 8	Basic	6500	$750	$1,849	$1,667	$1,569	$1,478
	9 - 15		6500	$750	$1,914	$1,726	$1,624	$1,529
	16 - 21		6500	$750	$2,066	$1,865	$1,750	$1,649
	22 - 30		6500	$750	$2,151	$1,943	$1,821	$1,717
	31 - 37		13000	$750	$2,235	$2,021	$1,891	$1,784
	38 - 45		13000	$750	$2,306	$2,085	$1,950	$1,840
	46 - 50		13000	$750	$2,402	$2,174	$2,030	$1,916
25	4 - 10	Premium	6500	$750	$1,849	$1,667	$1,569	$1,478
	11 - 20		6500	$750	$2,066	$1,865	$1,750	$1,649
	21 - 30		6500	$750	$2,151	$1,943	$1,821	$1,717
	31 - 40		13000	$750	$2,235	$2,021	$1,891	$1,784
	41 - 50		13000	$750	$2,402	$2,174	$2,030	$1,916

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

2. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
30	4 - 8	Basic	6500	$750	$2,074	$1,870	$1,760	$1,658
	9 - 15		6500	$750	$2,139	$1,929	$1,815	$1,709
	16 - 21		6500	$750	$2,291	$2,068	$1,941	$1,829
	22 - 30		6500	$750	$2,376	$2,146	$2,012	$1,897
	31 - 37		13000	$750	$2,460	$2,224	$2,082	$1,964
	38 - 45		13000	$750	$2,531	$2,288	$2,141	$2,020
	46 - 50		13000	$750	$2,627	$2,377	$2,221	$2,096
30	4 - 10	Premium	6500	$750	$2,074	$1,870	$1,760	$1,658
	11 - 20		6500	$750	$2,291	$2,068	$1,941	$1,829
	21 - 30		6500	$750	$2,376	$2,146	$2,012	$1,897
	31 - 40		13000	$750	$2,460	$2,224	$2,082	$1,964
	41 - 50		13000	$750	$2,627	$2,377	$2,221	$2,096
35	4 - 8	Basic	6500	$750	$2,294	$2,068	$1,947	$1,834
	9 - 15		6500	$750	$2,359	$2,127	$2,002	$1,885
	16 - 21		6500	$750	$2,511	$2,266	$2,128	$2,005
	22 - 30		6500	$750	$2,596	$2,344	$2,199	$2,073
	31 - 37		13000	$750	$2,680	$2,422	$2,269	$2,140
	38 - 45		13000	$750	$2,751	$2,486	$2,328	$2,196
	46 - 50		13000	$750	$2,847	$2,575	$2,408	$2,272
35	4 - 10	Premium	6500	$750	$2,294	$2,068	$1,947	$1,834
	11 - 20		6500	$750	$2,511	$2,266	$2,128	$2,005
	21 - 30		6500	$750	$2,596	$2,344	$2,199	$2,073
	31 - 40		13000	$750	$2,680	$2,422	$2,269	$2,140
	41 - 50		13000	$750	$2,847	$2,575	$2,408	$2,272

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

2. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
40	4 - 8	Basic	6500	$750	$2,514	$2,266	$2,134	$2,010
	9 - 15		6500	$750	$2,579	$2,325	$2,189	$2,061
	16 - 21		6500	$750	$2,731	$2,464	$2,315	$2,181
	22 - 30		6500	$750	$2,816	$2,542	$2,386	$2,249
	31 - 37		13000	$750	$2,900	$2,620	$2,456	$2,316
	38 - 45		13000	$750	$2,971	$2,684	$2,515	$2,372
	46 - 50		13000	$750	$3,067	$2,773	$2,595	$2,448
40	4 - 10	Premium	6500	$750	$2,514	$2,266	$2,134	$2,010
	11 - 20		6500	$750	$2,731	$2,464	$2,315	$2,181
	21 - 30		6500	$750	$2,816	$2,542	$2,386	$2,249
	31 - 40		13000	$750	$2,900	$2,620	$2,456	$2,316
	41 - 50		13000	$750	$3,067	$2,773	$2,595	$2,448
45	4 - 8	Basic	6500	$750	$2,739	$2,468	$2,325	$2,190
	9 - 15		6500	$750	$2,804	$2,527	$2,380	$2,241
	16 - 21		6500	$750	$2,956	$2,666	$2,506	$2,361
	22 - 30		6500	$750	$3,041	$2,744	$2,577	$2,429
	31 - 37		13000	$750	$3,125	$2,822	$2,647	$2,496
	38 - 45		13000	$750	$3,196	$2,886	$2,706	$2,552
	46 - 50		13000	$750	$3,292	$2,975	$2,786	$2,628
45	4 - 10	Premium	6500	$750	$2,739	$2,468	$2,325	$2,190
	11 - 20		6500	$750	$2,956	$2,666	$2,506	$2,361
	21 - 30		6500	$750	$3,041	$2,744	$2,577	$2,429
	31 - 40		13000	$750	$3,125	$2,822	$2,647	$2,496
	41 - 50		13000	$750	$3,292	$2,975	$2,786	$2,628

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

2. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
50	4 - 8	Basic	6500	$750	$2,959	$2,666	$2,512	$2,366
	9 - 15		6500	$750	$3,024	$2,725	$2,567	$2,417
	16 - 21		6500	$750	$3,176	$2,864	$2,693	$2,537
	22 - 30		6500	$750	$3,261	$2,942	$2,764	$2,605
	31 - 37		13000	$750	$3,345	$3,020	$2,834	$2,672
	38 - 45		13000	$750	$3,416	$3,084	$2,893	$2,728
	46 - 50		13000	$750	$3,512	$3,173	$2,973	$2,804
50	4 - 10	Premium	6500	$750	$2,959	$2,666	$2,512	$2,366
	11 - 20		6500	$750	$3,176	$2,864	$2,693	$2,537
	21 - 30		6500	$750	$3,261	$2,942	$2,764	$2,605
	31 - 40		13000	$750	$3,345	$3,020	$2,834	$2,672
	41 - 50		13000	$750	$3,512	$3,173	$2,973	$2,804

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

B. Converged Voice + VPN, (Cont'd.)

All rates are applied per service location:

3. Transport

Bandwidth (Mbps)	Nonrecurring Charge	Monthly Recurring Charge			
		12 Months	24 Months	36 Months	60 Months
T1	$0	$85	$77	$72	$68
DS3	$0	$325	$293	$276	$260
OC3	$0	$915	$824	$778	$732
OC12	$0	$1,755	$1,580	$1,492	$1,404
OC48	$0	$6,000	$5,400	$5,100	$4,800
Ethernet 10 Mbps	$0	$325	$293	$276	$260
Ethernet 100 Mbps	$0	$325	$293	$276	$260
Ethernet 1 Gbps	$0	$500	$450	$425	$400

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access

All rates are applied per service location:

1. T1 Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
1.5	4 - 8	Basic	6500	$500	$590	$534	$499	$470
	9 - 12		6500	$500	$655	$593	$553	$522
1.5	4 - 8	Premium	6500	$500	$590	$534	$499	$470
3	4 - 8	Basic	6500	$750	$716	$648	$605	$571
	9 - 12		6500	$750	$781	$707	$660	$623
	13 - 18		6500	$750	$854	$774	$720	$680
	19 - 24		6500	$750	$933	$846	$786	$743
3	4 - 8	Premium	6500	$750	$716	$648	$605	$571
	9 - 16		6500	$750	$781	$707	$660	$623
4.5	4 - 8	Basic	6500	$750	$852	$770	$721	$680
	9 - 12		6500	$750	$917	$830	$776	$732
	13 - 18		6500	$750	$990	$896	$836	$789
	19 - 24		6500	$750	$1,069	$969	$902	$852
	25 - 30		6500	$750	$1,154	$1,046	$973	$919
	31 - 36		13000	$750	$1,238	$1,124	$1,043	$986
4.5	4 - 8	Premium	6500	$750	$852	$770	$721	$680
	9 - 16		6500	$750	$917	$830	$776	$732
	17 - 24		6500	$750	$1,069	$969	$902	$852
6*	4 - 8	Basic	6500	$750	$988	$893	$837	$789
	9 - 12		6500	$750	$1,054	$952	$891	$841
	13 - 18		6500	$750	$1,126	$1,019	$952	$898
	19 - 24		6500	$750	$1,205	$1,091	$1,018	$961
	25 - 30		6500	$750	$1,290	$1,169	$1,088	$1,028
	31 - 36		13000	$750	$1,375	$1,247	$1,159	$1,095
	37 - 42		13000	$750	$1,445	$1,311	$1,218	$1,151
	43 - 50		13000	$750	$1,542	$1,400	$1,298	$1,227

* T1 provisioning of 6 Mbps only supports analog lines (PRI and digital trunks are not available)

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
6*	4 - 8	Premium	6500	$750	$988	$893	$837	$789
	9 - 16		6500	$750	$1,054	$952	$891	$841
	17 - 24		6500	$750	$1,205	$1,091	$1,018	$961
	25 - 32		6500	$750	$1,290	$1,169	$1,088	$1,028
7.5	4 - 8	Basic	6500	$750	$1,126	$1,017	$954	$899
	9 - 12		6500	$750	$1,192	$1,076	$1,009	$951
	13 - 18		6500	$750	$1,264	$1,143	$1,069	$1,008
	19 - 24		6500	$750	$1,343	$1,215	$1,135	$1,071
	25 - 30		6500	$750	$1,428	$1,293	$1,206	$1,138
	31 - 36		13000	$750	$1,513	$1,371	$1,276	$1,205
	37 - 42		13000	$750	$1,583	$1,435	$1,335	$1,261
	43 - 50		13000	$750	$1,680	$1,524	$1,415	$1,337
7.5	4 - 8	Premium	6500	$750	$1,126	$1,017	$954	$899
	9 - 16		6500	$750	$1,192	$1,076	$1,009	$951
	17 - 24		6500	$750	$1,343	$1,215	$1,135	$1,071
	25 - 32		6500	$750	$1,428	$1,293	$1,206	$1,138
	33 - 40		13000	$750	$1,583	$1,435	$1,335	$1,261
9	4 - 8	Basic	6500	$750	$1,262	$1,139	$1,070	$1,009
	9 - 12		6500	$750	$1,328	$1,199	$1,125	$1,060
	13 - 18		6500	$750	$1,400	$1,265	$1,185	$1,118
	19 - 24		6500	$750	$1,479	$1,338	$1,251	$1,180
	25 - 30		6500	$750	$1,564	$1,416	$1,322	$1,247
	31 - 36		13000	$750	$1,649	$1,493	$1,392	$1,315
	37 - 42		13000	$750	$1,719	$1,558	$1,451	$1,370
	43 - 50		13000	$750	$1,816	$1,646	$1,531	$1,447

* T1 provisioning of 6 Mbps only supports analog lines (PRI and digital trunks are not available)

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
9	4 - 8	Premium	6500	$750	$1,262	$1,139	$1,070	$1,009
	9 - 16		6500	$750	$1,328	$1,199	$1,125	$1,060
	17 - 24		6500	$750	$1,479	$1,338	$1,251	$1,180
	25 - 32		6500	$750	$1,564	$1,416	$1,322	$1,247
	33 - 40		13000	$750	$1,719	$1,558	$1,451	$1,370
	41 - 50		13000	$750	$1,816	$1,646	$1,531	$1,447
10.5	4 - 8	Basic	6500	$750	$1,379	$1,244	$1,169	$1,101
	9 - 12		6500	$750	$1,444	$1,304	$1,223	$1,153
	13 - 18		6500	$750	$1,516	$1,370	$1,284	$1,210
	19 - 24		6500	$750	$1,596	$1,443	$1,350	$1,273
	25 - 30		6500	$750	$1,680	$1,520	$1,420	$1,340
	31 - 36		13000	$750	$1,765	$1,598	$1,491	$1,407
	37 - 42		13000	$750	$1,836	$1,663	$1,550	$1,463
	43 - 50		13000	$750	$1,932	$1,751	$1,630	$1,539
10.5	4 - 8	Premium	6500	$750	$1,379	$1,244	$1,169	$1,101
	9 - 16		6500	$750	$1,444	$1,304	$1,223	$1,153
	17 - 24		6500	$750	$1,596	$1,443	$1,350	$1,273
	25 - 32		6500	$750	$1,680	$1,520	$1,420	$1,340
	33 - 40		13000	$750	$1,836	$1,663	$1,550	$1,463
	41 - 50		13000	$750	$1,932	$1,751	$1,630	$1,539

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

1. T1 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
12	4 - 8	Basic	6500	$750	$1,461	$1,318	$1,240	$1,167
	9 - 12		6500	$750	$1,526	$1,378	$1,294	$1,219
	13 - 18		6500	$750	$1,599	$1,444	$1,354	$1,276
	19 - 24		6500	$750	$1,678	$1,517	$1,420	$1,339
	25 - 30		6500	$750	$1,763	$1,595	$1,491	$1,406
	31 - 36		13000	$750	$1,848	$1,672	$1,562	$1,473
	37 - 42		13000	$750	$1,918	$1,737	$1,620	$1,529
	43 - 50		13000	$750	$2,014	$1,825	$1,701	$1,605
12	4 - 8	Premium	6500	$750	$1,461	$1,318	$1,240	$1,167
	9 - 16		6500	$750	$1,526	$1,378	$1,294	$1,219
	17 - 24		6500	$750	$1,678	$1,517	$1,420	$1,339
	25 - 32		6500	$750	$1,763	$1,595	$1,491	$1,406
	33 - 40		13000	$750	$1,918	$1,737	$1,620	$1,529
	41 - 50		13000	$750	$2,014	$1,825	$1,701	$1,605

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
3	4 - 8	Basic	6500	$750	$716	$648	$605	$571
	9 - 12		6500	$750	$781	$707	$660	$623
	13 - 18		6500	$750	$854	$774	$720	$680
	19 - 24		6500	$750	$933	$846	$786	$743
3	4 - 8	Premium	6500	$750	$716	$648	$605	$571
	9 - 16		6500	$750	$781	$707	$660	$623
6	4 - 8	Basic	6500	$750	$988	$893	$837	$789
	9 - 12		6500	$750	$1,054	$952	$891	$841
	13 - 18		6500	$750	$1,126	$1,019	$952	$898
	19 - 24		6500	$750	$1,205	$1,091	$1,018	$961
	25 - 30		6500	$750	$1,290	$1,169	$1,088	$1,028
	31 - 36		13000	$750	$1,375	$1,247	$1,159	$1,095
	37 - 42		13000	$750	$1,445	$1,311	$1,218	$1,151
	43 - 50		13000	$750	$1,542	$1,400	$1,298	$1,227
6	4 - 8	Premium	6500	$750	$988	$893	$837	$789
	9 - 16		6500	$750	$1,054	$952	$891	$841
	17 - 24		6500	$750	$1,205	$1,091	$1,018	$961
	25 - 32		6500	$750	$1,290	$1,169	$1,088	$1,028
9	4 - 8	Basic	6500	$750	$1,262	$1,139	$1,070	$1,009
	9 - 12		6500	$750	$1,328	$1,199	$1,125	$1,060
	13 - 18		6500	$750	$1,400	$1,265	$1,185	$1,118
	19 - 24		6500	$750	$1,479	$1,338	$1,251	$1,180
	25 - 30		6500	$750	$1,564	$1,416	$1,322	$1,247
	31 - 36		13000	$750	$1,649	$1,493	$1,392	$1,315
	37 - 42		13000	$750	$1,719	$1,558	$1,451	$1,370
	43 - 50		13000	$750	$1,816	$1,646	$1,531	$1,447

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
9	4 - 8	Premium	6500	$750	$1,262	$1,139	$1,070	$1,009
	9 - 16		6500	$750	$1,328	$1,199	$1,125	$1,060
	17 - 24		6500	$750	$1,479	$1,338	$1,251	$1,180
	25 - 32		6500	$750	$1,564	$1,416	$1,322	$1,247
	33 - 40		13000	$750	$1,719	$1,558	$1,451	$1,370
	41 - 50		13000	$750	$1,816	$1,646	$1,531	$1,447
12	4 - 8	Basic	6500	$750	$1,461	$1,318	$1,240	$1,167
	9 - 12		6500	$750	$1,526	$1,378	$1,294	$1,219
	13 - 18		6500	$750	$1,599	$1,444	$1,354	$1,276
	19 - 24		6500	$750	$1,678	$1,517	$1,420	$1,339
	25 - 30		6500	$750	$1,763	$1,595	$1,491	$1,406
	31 - 36		13000	$750	$1,848	$1,672	$1,562	$1,473
	37 - 42		13000	$750	$1,918	$1,737	$1,620	$1,529
	43 - 50		13000	$750	$2,014	$1,825	$1,701	$1,605
12	4 - 8	Premium	6500	$750	$1,461	$1,318	$1,240	$1,167
	9 - 16		6500	$750	$1,526	$1,378	$1,294	$1,219
	17 - 24		6500	$750	$1,678	$1,517	$1,420	$1,339
	25 - 32		6500	$750	$1,763	$1,595	$1,491	$1,406
	33 - 40		13000	$750	$1,918	$1,737	$1,620	$1,529
	41 - 50		13000	$750	$2,014	$1,825	$1,701	$1,605
15	4 - 8	Basic	6500	$750	$1,618	$1,460	$1,372	$1,293
	9 - 12		6500	$750	$1,684	$1,519	$1,427	$1,345
	13 - 18		6500	$750	$1,756	$1,586	$1,487	$1,402
	19 - 24		6500	$750	$1,835	$1,658	$1,553	$1,465
	25 - 30		6500	$750	$1,920	$1,736	$1,624	$1,532
	31 - 36		13000	$750	$2,005	$1,814	$1,694	$1,599
	37 - 42		13000	$750	$2,075	$1,878	$1,753	$1,655
	43 - 50		13000	$750	$2,172	$1,967	$1,833	$1,731

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
15	4 - 8	Premium	6500	$750	$1,618	$1,460	$1,372	$1,293
	9 - 16		6500	$750	$1,684	$1,519	$1,427	$1,345
	17 - 24		6500	$750	$1,835	$1,658	$1,553	$1,465
	25 - 32		6500	$750	$1,920	$1,736	$1,624	$1,532
	33 - 40		13000	$750	$2,075	$1,878	$1,753	$1,655
	41 - 50		13000	$750	$2,172	$1,967	$1,833	$1,731
18	4 - 8	Basic	6500	$750	$1,772	$1,598	$1,504	$1,416
	9 - 12		6500	$750	$1,837	$1,657	$1,558	$1,468
	13 - 18		6500	$750	$1,910	$1,724	$1,619	$1,525
	19 - 24		6500	$750	$1,989	$1,796	$1,685	$1,588
	25 - 30		6500	$750	$2,074	$1,874	$1,755	$1,655
	31 - 36		13000	$750	$2,159	$1,952	$1,826	$1,722
	37 - 42		13000	$750	$2,229	$2,016	$1,885	$1,778
	43 - 50		13000	$750	$2,325	$2,105	$1,965	$1,854
18	4 - 8	Premium	6500	$750	$1,772	$1,598	$1,504	$1,416
	9 - 16		6500	$750	$1,837	$1,657	$1,558	$1,468
	17 - 24		6500	$750	$1,989	$1,796	$1,685	$1,588
	25 - 32		6500	$750	$2,074	$1,874	$1,755	$1,655
	33 - 40		13000	$750	$2,229	$2,016	$1,885	$1,778
	41 - 50		13000	$750	$2,325	$2,105	$1,965	$1,854
21	4 - 8	Basic	6500	$750	$1,942	$1,751	$1,648	$1,552
	9 - 12		6500	$750	$2,008	$1,811	$1,703	$1,604
	13 - 18		6500	$750	$2,080	$1,877	$1,763	$1,661
	19 - 24		6500	$750	$2,159	$1,950	$1,829	$1,724
	25 - 30		6500	$750	$2,244	$2,027	$1,900	$1,791
	31 - 36		13000	$750	$2,329	$2,105	$1,970	$1,858
	37 - 42		13000	$750	$2,399	$2,170	$2,029	$1,914
	43 - 50		13000	$750	$2,496	$2,258	$2,109	$1,990

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
21	4 - 8	Premium	6500	$750	$1,942	$1,751	$1,648	$1,552
	9 - 16		6500	$750	$2,008	$1,811	$1,703	$1,604
	17 - 24		6500	$750	$2,159	$1,950	$1,829	$1,724
	25 - 32		6500	$750	$2,244	$2,027	$1,900	$1,791
	33 - 40		13000	$750	$2,399	$2,170	$2,029	$1,914
	41 - 50		13000	$750	$2,496	$2,258	$2,109	$1,990
24	4 - 8	Basic	6500	$750	$2,099	$1,892	$1,781	$1,678
	9 - 12		6500	$750	$2,164	$1,952	$1,836	$1,729
	13 - 18		6500	$750	$2,237	$2,019	$1,896	$1,787
	19 - 24		6500	$750	$2,316	$2,091	$1,962	$1,849
	25 - 30		6500	$750	$2,401	$2,169	$2,033	$1,917
	31 - 36		13000	$750	$2,486	$2,246	$2,103	$1,984
	37 - 42		13000	$750	$2,556	$2,311	$2,162	$2,040
	43 - 50		13000	$750	$2,652	$2,399	$2,242	$2,116
24	4 - 8	Premium	6500	$750	$2,099	$1,892	$1,781	$1,678
	9 - 16		6500	$750	$2,164	$1,952	$1,836	$1,729
	17 - 24		6500	$750	$2,316	$2,091	$1,962	$1,849
	25 - 32		6500	$750	$2,401	$2,169	$2,033	$1,917
	33 - 40		13000	$750	$2,556	$2,311	$2,162	$2,040
	41 - 50		13000	$750	$2,652	$2,399	$2,242	$2,116
27	4 - 8	Basic	6500	$750	$2,261	$2,038	$1,919	$1,807
	9 - 12		6500	$750	$2,327	$2,097	$1,974	$1,859
	13 - 18		6500	$750	$2,399	$2,164	$2,034	$1,916
	19 - 24		6500	$750	$2,478	$2,236	$2,100	$1,979
	25 - 30		6500	$750	$2,563	$2,314	$2,171	$2,046
	31 - 36		13000	$750	$2,648	$2,392	$2,241	$2,113
	37 - 42		13000	$750	$2,718	$2,456	$2,300	$2,169
	43 - 50		13000	$750	$2,815	$2,545	$2,380	$2,245

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
27	4 - 8	Premium	6500	$750	$2,261	$2,038	$1,919	$1,807
	9 - 16		6500	$750	$2,327	$2,097	$1,974	$1,859
	17 - 24		6500	$750	$2,478	$2,236	$2,100	$1,979
	25 - 32		6500	$750	$2,563	$2,314	$2,171	$2,046
	33 - 40		13000	$750	$2,718	$2,456	$2,300	$2,169
	41 - 50		13000	$750	$2,815	$2,545	$2,380	$2,245
30	4 - 8	Basic	6500	$750	$2,423	$2,184	$2,058	$1,937
	9 - 12		6500	$750	$2,488	$2,244	$2,112	$1,989
	13 - 18		6500	$750	$2,561	$2,310	$2,172	$2,046
	19 - 24		6500	$750	$2,640	$2,383	$2,238	$2,109
	25 - 30		6500	$750	$2,725	$2,461	$2,309	$2,176
	31 - 36		13000	$750	$2,810	$2,538	$2,380	$2,243
	37 - 42		13000	$750	$2,880	$2,603	$2,438	$2,299
	43 - 50		13000	$750	$2,976	$2,691	$2,519	$2,375
30	4 - 8	Premium	6500	$750	$2,423	$2,184	$2,058	$1,937
	9 - 16		6500	$750	$2,488	$2,244	$2,112	$1,989
	17 - 24		6500	$750	$2,640	$2,383	$2,238	$2,109
	25 - 32		6500	$750	$2,725	$2,461	$2,309	$2,176
	33 - 40		13000	$750	$2,880	$2,603	$2,438	$2,299
	41 - 50		13000	$750	$2,976	$2,691	$2,519	$2,375
33	4 - 8	Basic	6500	$750	$2,580	$2,325	$2,190	$2,063
	9 - 12		6500	$750	$2,646	$2,385	$2,244	$2,114
	13 - 18		6500	$750	$2,718	$2,451	$2,305	$2,172
	19 - 24		6500	$750	$2,797	$2,524	$2,371	$2,234
	25 - 30		6500	$750	$2,882	$2,602	$2,441	$2,301
	31 - 36		13000	$750	$2,967	$2,679	$2,512	$2,369
	37 - 42		13000	$750	$3,037	$2,744	$2,571	$2,424
	43 - 50		13000	$750	$3,134	$2,832	$2,651	$2,501

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
33	4 - 8	Premium	6500	$750	$2,580	$2,325	$2,190	$2,063
	9 - 16		6500	$750	$2,646	$2,385	$2,244	$2,114
	17 - 24		6500	$750	$2,797	$2,524	$2,371	$2,234
	25 - 32		6500	$750	$2,882	$2,602	$2,441	$2,301
	33 - 40		13000	$750	$3,037	$2,744	$2,571	$2,424
	41 - 50		13000	$750	$3,134	$2,832	$2,651	$2,501
36	4 - 8	Basic	6500	$750	$2,742	$2,471	$2,328	$2,192
	9 - 12		6500	$750	$2,807	$2,530	$2,383	$2,244
	13 - 18		6500	$750	$2,880	$2,597	$2,443	$2,301
	19 - 24		6500	$750	$2,959	$2,669	$2,509	$2,364
	25 - 30		6500	$750	$3,044	$2,747	$2,580	$2,431
	31 - 36		13000	$750	$3,129	$2,825	$2,650	$2,498
	37 - 42		13000	$750	$3,199	$2,889	$2,709	$2,554
	43 - 50		13000	$750	$3,295	$2,978	$2,789	$2,630
36	4 - 8	Premium	6500	$750	$2,742	$2,471	$2,328	$2,192
	9 - 16		6500	$750	$2,807	$2,530	$2,383	$2,244
	17 - 24		6500	$750	$2,959	$2,669	$2,509	$2,364
	25 - 32		6500	$750	$3,044	$2,747	$2,580	$2,431
	33 - 40		13000	$750	$3,199	$2,889	$2,709	$2,554
	41 - 50		13000	$750	$3,295	$2,978	$2,789	$2,630
39	4 - 8	Basic	6500	$750	$2,899	$2,612	$2,462	$2,318
	9 - 12		6500	$750	$2,965	$2,672	$2,516	$2,369
	13 - 18		6500	$750	$3,037	$2,738	$2,577	$2,427
	19 - 24		6500	$750	$3,116	$2,811	$2,643	$2,489
	25 - 30		6500	$750	$3,201	$2,888	$2,713	$2,557
	31 - 36		13000	$750	$3,286	$2,966	$2,784	$2,624
	37 - 42		13000	$750	$3,356	$3,031	$2,843	$2,680
	43 - 50		13000	$750	$3,453	$3,119	$2,923	$2,756

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
39	4 - 8	Premium	6500	$750	$2,899	$2,612	$2,462	$2,318
	9 - 16		6500	$750	$2,965	$2,672	$2,516	$2,369
	17 - 24		6500	$750	$3,116	$2,811	$2,643	$2,489
	25 - 32		6500	$750	$3,201	$2,888	$2,713	$2,557
	33 - 40		13000	$750	$3,356	$3,031	$2,843	$2,680
	41 - 50		13000	$750	$3,453	$3,119	$2,923	$2,756
42	4 - 8	Basic	6500	$750	$3,061	$2,758	$2,599	$2,447
	9 - 12		6500	$750	$3,126	$2,818	$2,654	$2,499
	13 - 18		6500	$750	$3,199	$2,885	$2,714	$2,556
	19 - 24		6500	$750	$3,278	$2,957	$2,780	$2,619
	25 - 30		6500	$750	$3,363	$3,035	$2,851	$2,686
	31 - 36		13000	$750	$3,448	$3,112	$2,921	$2,753
	37 - 42		13000	$750	$3,518	$3,177	$2,980	$2,809
	43 - 50		13000	$750	$3,614	$3,265	$3,060	$2,885
42	4 - 8	Premium	6500	$750	$3,061	$2,758	$2,599	$2,447
	9 - 16		6500	$750	$3,126	$2,818	$2,654	$2,499
	17 - 24		6500	$750	$3,278	$2,957	$2,780	$2,619
	25 - 32		6500	$750	$3,363	$3,035	$2,851	$2,686
	33 - 40		13000	$750	$3,518	$3,177	$2,980	$2,809
	41 - 50		13000	$750	$3,614	$3,265	$3,060	$2,885

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

2. DS3 Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
45	4 - 8	Basic	6500	$750	$3,223	$2,904	$2,737	$2,577
	9 - 12		6500	$750	$3,289	$2,963	$2,791	$2,629
	13 - 18		6500	$750	$3,361	$3,030	$2,852	$2,686
	19 - 24		6500	$750	$3,440	$3,102	$2,918	$2,749
	25 - 30		6500	$750	$3,525	$3,180	$2,988	$2,816
	31 - 36		13000	$750	$3,610	$3,258	$3,059	$2,883
	37 - 42		13000	$750	$3,680	$3,322	$3,118	$2,939
	43 - 50		13000	$750	$3,777	$3,411	$3,198	$3,015
45	4 - 8	Premium	6500	$750	$3,223	$2,904	$2,737	$2,577
	9 - 16		6500	$750	$3,289	$2,963	$2,791	$2,629
	17 - 24		6500	$750	$3,440	$3,102	$2,918	$2,749
	25 - 32		6500	$750	$3,525	$3,180	$2,988	$2,816
	33 - 40		13000	$750	$3,680	$3,322	$3,118	$2,939
	41 - 50		13000	$750	$3,777	$3,411	$3,198	$3,015

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
2	4 - 8	Basic	6500	$750	$625	$566	$528	$498
	9 - 15		6500	$750	$690	$625	$582	$550
2	4 - 10	Premium	6500	$750	$625	$566	$528	$498
4	4 - 8	Basic	6500	$750	$807	$729	$683	$644
	9 - 15		6500	$750	$872	$789	$737	$695
	16 - 21		6500	$750	$1,024	$928	$863	$815
	22 - 30		6500	$750	$1,108	$1,006	$934	$883
4	4 - 10	Premium	6500	$750	$807	$729	$683	$644
	11 - 20		6500	$750	$1,024	$928	$863	$815
6	4 - 8	Basic	6500	$750	$988	$893	$837	$789
	9 - 15		6500	$750	$1,054	$952	$891	$841
	16 - 21		6500	$750	$1,205	$1,091	$1,018	$961
	22 - 30		6500	$750	$1,290	$1,169	$1,088	$1,028
	31 - 37		13000	$750	$1,375	$1,247	$1,159	$1,095
	38 - 45		13000	$750	$1,445	$1,311	$1,218	$1,151
6	4 - 10	Premium	6500	$750	$988	$893	$837	$789
	11 - 20		6500	$750	$1,205	$1,091	$1,018	$961
	21 - 30		6500	$750	$1,290	$1,169	$1,088	$1,028
8	4 - 8	Basic	6500	$750	$1,172	$1,058	$993	$936
	9 - 15		6500	$750	$1,237	$1,117	$1,047	$987
	16 - 21		6500	$750	$1,388	$1,256	$1,174	$1,107
	22 - 30		6500	$750	$1,473	$1,334	$1,244	$1,175
	31 - 37		13000	$750	$1,558	$1,412	$1,315	$1,242
	38 - 45		13000	$750	$1,628	$1,476	$1,374	$1,298
8	4 - 10	Premium	6500	$750	$1,172	$1,058	$993	$936
	11 - 20		6500	$750	$1,388	$1,256	$1,174	$1,107
	21 - 30		6500	$750	$1,473	$1,334	$1,244	$1,175
	31 - 40		13000	$750	$1,558	$1,412	$1,315	$1,242

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
10	4 - 8	Basic	6500	$750	$1,353	$1,221	$1,147	$1,081
	9 - 15		6500	$750	$1,418	$1,281	$1,202	$1,133
	16 - 21		6500	$750	$1,570	$1,420	$1,328	$1,253
	22 - 30		6500	$750	$1,655	$1,498	$1,399	$1,320
	31 - 37		13000	$750	$1,740	$1,575	$1,469	$1,387
	38 - 45		13000	$750	$1,810	$1,640	$1,528	$1,443
	46 - 50		13000	$750	$1,906	$1,728	$1,608	$1,519
10	4 - 10	Premium	6500	$750	$1,353	$1,221	$1,147	$1,081
	11 - 20		6500	$750	$1,570	$1,420	$1,328	$1,253
	21 - 30		6500	$750	$1,655	$1,498	$1,399	$1,320
	31 - 40		13000	$750	$1,740	$1,575	$1,469	$1,387
	41 - 50		13000	$750	$1,906	$1,728	$1,608	$1,519
15	4 - 8	Basic	6500	$750	$1,618	$1,460	$1,372	$1,293
	9 - 15		6500	$750	$1,684	$1,519	$1,427	$1,345
	16 - 21		6500	$750	$1,835	$1,658	$1,553	$1,465
	22 - 30		6500	$750	$1,920	$1,736	$1,624	$1,532
	31 - 37		13000	$750	$2,005	$1,814	$1,694	$1,599
	38 - 45		13000	$750	$2,075	$1,878	$1,753	$1,655
	46 - 50		13000	$750	$2,172	$1,967	$1,833	$1,731
15	4 - 10	Premium	6500	$750	$1,618	$1,460	$1,372	$1,293
	11 - 20		6500	$750	$1,835	$1,658	$1,553	$1,465
	21 - 30		6500	$750	$1,920	$1,736	$1,624	$1,532
	31 - 40		13000	$750	$2,005	$1,814	$1,694	$1,599
	41 - 50		13000	$750	$2,172	$1,967	$1,833	$1,731

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
20	4 - 8	Basic	6500	$750	$1,888	$1,702	$1,603	$1,509
	9 - 15		6500	$750	$1,953	$1,762	$1,657	$1,561
	16 - 21		6500	$750	$2,105	$1,901	$1,784	$1,681
	22 - 30		6500	$750	$2,190	$1,978	$1,854	$1,748
	31 - 37		13000	$750	$2,275	$2,056	$1,925	$1,815
	38 - 45		13000	$750	$2,345	$2,121	$1,984	$1,871
	46 - 50		13000	$750	$2,441	$2,209	$2,064	$1,947
20	4 - 10	Premium	6500	$750	$1,888	$1,702	$1,603	$1,509
	11 - 20		6500	$750	$2,105	$1,901	$1,784	$1,681
	21 - 30		6500	$750	$2,190	$1,978	$1,854	$1,748
	31 - 40		13000	$750	$2,275	$2,056	$1,925	$1,815
	41 - 50		13000	$750	$2,441	$2,209	$2,064	$1,947
25	4 - 8	Basic	6500	$750	$2,153	$1,941	$1,828	$1,721
	9 - 15		6500	$750	$2,219	$2,000	$1,882	$1,773
	16 - 21		6500	$750	$2,370	$2,139	$2,009	$1,893
	22 - 30		6500	$750	$2,455	$2,217	$2,079	$1,960
	31 - 37		13000	$750	$2,540	$2,295	$2,150	$2,027
	38 - 45		13000	$750	$2,610	$2,359	$2,209	$2,083
	46 - 50		13000	$750	$2,707	$2,448	$2,289	$2,159
25	4 - 10	Premium	6500	$750	$2,153	$1,941	$1,828	$1,721
	11 - 20		6500	$750	$2,370	$2,139	$2,009	$1,893
	21 - 30		6500	$750	$2,455	$2,217	$2,079	$1,960
	31 - 40		13000	$750	$2,540	$2,295	$2,150	$2,027
	41 - 50		13000	$750	$2,707	$2,448	$2,289	$2,159

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
30	4 - 8	Basic	6500	$750	$2,423	$2,184	$2,058	$1,937
	9 - 15		6500	$750	$2,488	$2,244	$2,112	$1,989
	16 - 21		6500	$750	$2,640	$2,383	$2,238	$2,109
	22 - 30		6500	$750	$2,725	$2,461	$2,309	$2,176
	31 - 37		13000	$750	$2,810	$2,538	$2,380	$2,243
	38 - 45		13000	$750	$2,880	$2,603	$2,438	$2,299
	46 - 50		13000	$750	$2,976	$2,691	$2,519	$2,375
30	4 - 10	Premium	6500	$750	$2,423	$2,184	$2,058	$1,937
	11 - 20		6500	$750	$2,640	$2,383	$2,238	$2,109
	21 - 30		6500	$750	$2,725	$2,461	$2,309	$2,176
	31 - 40		13000	$750	$2,810	$2,538	$2,380	$2,243
	41 - 50		13000	$750	$2,976	$2,691	$2,519	$2,375
35	4 - 8	Basic	6500	$750	$2,688	$2,423	$2,283	$2,149
	9 - 15		6500	$750	$2,754	$2,482	$2,337	$2,201
	16 - 21		6500	$750	$2,905	$2,621	$2,463	$2,321
	22 - 30		6500	$750	$2,990	$2,699	$2,534	$2,388
	31 - 37		13000	$750	$3,075	$2,777	$2,605	$2,455
	38 - 45		13000	$750	$3,145	$2,841	$2,663	$2,511
	46 - 50		13000	$750	$3,242	$2,930	$2,744	$2,587
35	4 - 10	Premium	6500	$750	$2,688	$2,423	$2,283	$2,149
	11 - 20		6500	$750	$2,905	$2,621	$2,463	$2,321
	21 - 30		6500	$750	$2,990	$2,699	$2,534	$2,388
	31 - 40		13000	$750	$3,075	$2,777	$2,605	$2,455
	41 - 50		13000	$750	$3,242	$2,930	$2,744	$2,587

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
40	4 - 8	Basic	6500	$750	$2,953	$2,661	$2,508	$2,361
	9 - 15		6500	$750	$3,018	$2,721	$2,562	$2,413
	16 - 21		6500	$750	$3,170	$2,860	$2,688	$2,533
	22 - 30		6500	$750	$3,255	$2,937	$2,759	$2,600
	31 - 37		13000	$750	$3,340	$3,015	$2,830	$2,667
	38 - 45		13000	$750	$3,410	$3,080	$2,888	$2,723
	46 - 50		13000	$750	$3,506	$3,168	$2,969	$2,799
40	4 - 10	Premium	6500	$750	$2,953	$2,661	$2,508	$2,361
	11 - 20		6500	$750	$3,170	$2,860	$2,688	$2,533
	21 - 30		6500	$750	$3,255	$2,937	$2,759	$2,600
	31 - 40		13000	$750	$3,340	$3,015	$2,830	$2,667
	41 - 50		13000	$750	$3,506	$3,168	$2,969	$2,799
45	4 - 8	Basic	6500	$750	$3,223	$2,904	$2,737	$2,577
	9 - 15		6500	$750	$3,289	$2,963	$2,791	$2,629
	16 - 21		6500	$750	$3,440	$3,102	$2,918	$2,749
	22 - 30		6500	$750	$3,525	$3,180	$2,988	$2,816
	31 - 37		13000	$750	$3,610	$3,258	$3,059	$2,883
	38 - 45		13000	$750	$3,680	$3,322	$3,118	$2,939
	46 - 50		13000	$750	$3,777	$3,411	$3,198	$3,015
45	4 - 10	Premium	6500	$750	$3,223	$2,904	$2,737	$2,577
	11 - 20		6500	$750	$3,440	$3,102	$2,918	$2,749
	21 - 30		6500	$750	$3,525	$3,180	$2,988	$2,816
	31 - 40		13000	$750	$3,610	$3,258	$3,059	$2,883
	41 - 50		13000	$750	$3,777	$3,411	$3,198	$3,015

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
50	4 - 8	Basic	6500	$750	$3,488	$3,142	$2,962	$2,789
	9 - 15		6500	$750	$3,553	$3,202	$3,017	$2,841
	16 - 21		6500	$750	$3,705	$3,341	$3,143	$2,961
	22 - 30		6500	$750	$3,790	$3,419	$3,214	$3,028
	31 - 37		13000	$750	$3,875	$3,496	$3,284	$3,095
	38 - 45		13000	$750	$3,945	$3,561	$3,343	$3,151
	46 - 50		13000	$750	$4,041	$3,649	$3,423	$3,227
50	4 - 10	Premium	6500	$750	$3,488	$3,142	$2,962	$2,789
	11 - 20		6500	$750	$3,705	$3,341	$3,143	$2,961
	21 - 30		6500	$750	$3,790	$3,419	$3,214	$3,028
	31 - 40		13000	$750	$3,875	$3,496	$3,284	$3,095
	41 - 50		13000	$750	$4,041	$3,649	$3,423	$3,227
55	4 - 8	Basic	6500	$750	$3,605	$3,247	$3,061	$2,882
	9 - 15		6500	$750	$3,670	$3,307	$3,115	$2,934
	16 - 21		6500	$750	$3,821	$3,446	$3,242	$3,054
	22 - 30		6500	$750	$3,906	$3,523	$3,312	$3,121
	31 - 37		13000	$750	$3,991	$3,601	$3,383	$3,188
	38 - 45		13000	$750	$4,061	$3,666	$3,442	$3,244
	46 - 50		13000	$750	$4,158	$3,754	$3,522	$3,320
55	4 - 10	Premium	6500	$750	$3,605	$3,247	$3,061	$2,882
	11 - 20		6500	$750	$3,821	$3,446	$3,242	$3,054
	21 - 30		6500	$750	$3,906	$3,523	$3,312	$3,121
	31 - 40		13000	$750	$3,991	$3,601	$3,383	$3,188
	41 - 50		13000	$750	$4,158	$3,754	$3,522	$3,320

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
60	4 - 8	Basic	6500	$750	$3,723	$3,353	$3,161	$2,977
	9 - 15		6500	$750	$3,788	$3,413	$3,216	$3,028
	16 - 21		6500	$750	$3,939	$3,552	$3,342	$3,148
	22 - 30		6500	$750	$4,024	$3,629	$3,413	$3,215
	31 - 37		13000	$750	$4,109	$3,707	$3,483	$3,283
	38 - 45		13000	$750	$4,179	$3,772	$3,542	$3,338
	46 - 50		13000	$750	$4,276	$3,860	$3,622	$3,415
60	4 - 10	Premium	6500	$750	$3,723	$3,353	$3,161	$2,977
	11 - 20		6500	$750	$3,939	$3,552	$3,342	$3,148
	21 - 30		6500	$750	$4,024	$3,629	$3,413	$3,215
	31 - 40		13000	$750	$4,109	$3,707	$3,483	$3,283
	41 - 50		13000	$750	$4,276	$3,860	$3,622	$3,415
65	4 - 8	Basic	6500	$750	$3,839	$3,457	$3,260	$3,069
	9 - 15		6500	$750	$3,904	$3,517	$3,315	$3,121
	16 - 21		6500	$750	$4,055	$3,656	$3,441	$3,241
	22 - 30		6500	$750	$4,140	$3,734	$3,512	$3,308
	31 - 37		13000	$750	$4,225	$3,811	$3,582	$3,375
	38 - 45		13000	$750	$4,295	$3,876	$3,641	$3,431
	46 - 50		13000	$750	$4,392	$3,964	$3,721	$3,507
65	4 - 10	Premium	6500	$750	$3,839	$3,457	$3,260	$3,069
	11 - 20		6500	$750	$4,055	$3,656	$3,441	$3,241
	21 - 30		6500	$750	$4,140	$3,734	$3,512	$3,308
	31 - 40		13000	$750	$4,225	$3,811	$3,582	$3,375
	41 - 50		13000	$750	$4,392	$3,964	$3,721	$3,507

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
70	4 - 8	Basic	6500	$750	$3,957	$3,564	$3,360	$3,164
	9 - 15		6500	$750	$4,022	$3,623	$3,415	$3,215
	16 - 21		6500	$750	$4,173	$3,762	$3,541	$3,335
	22 - 30		6500	$750	$4,258	$3,840	$3,612	$3,403
	31 - 37		13000	$750	$4,343	$3,918	$3,682	$3,470
	38 - 45		13000	$750	$4,413	$3,982	$3,741	$3,526
	46 - 50		13000	$750	$4,510	$4,071	$3,821	$3,602
70	4 - 10	Premium	6500	$750	$3,957	$3,564	$3,360	$3,164
	11 - 20		6500	$750	$4,173	$3,762	$3,541	$3,335
	21 - 30		6500	$750	$4,258	$3,840	$3,612	$3,403
	31 - 40		13000	$750	$4,343	$3,918	$3,682	$3,470
	41 - 50		13000	$750	$4,510	$4,071	$3,821	$3,602
75	4 - 8	Basic	6500	$750	$4,073	$3,669	$3,459	$3,257
	9 - 15		6500	$750	$4,138	$3,728	$3,513	$3,309
	16 - 21		6500	$750	$4,290	$3,867	$3,640	$3,429
	22 - 30		6500	$750	$4,375	$3,945	$3,710	$3,496
	31 - 37		13000	$750	$4,459	$4,023	$3,781	$3,563
	38 - 45		13000	$750	$4,530	$4,087	$3,840	$3,619
	46 - 50		13000	$750	$4,626	$4,176	$3,920	$3,695
75	4 - 10	Premium	6500	$750	$4,073	$3,669	$3,459	$3,257
	11 - 20		6500	$750	$4,290	$3,867	$3,640	$3,429
	21 - 30		6500	$750	$4,375	$3,945	$3,710	$3,496
	31 - 40		13000	$750	$4,459	$4,023	$3,781	$3,563
	41 - 50		13000	$750	$4,626	$4,176	$3,920	$3,695

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
80	4 - 8	Basic	6500	$750	$4,184	$3,769	$3,554	$3,346
	9 - 15		6500	$750	$4,249	$3,829	$3,608	$3,397
	16 - 21		6500	$750	$4,401	$3,968	$3,735	$3,517
	22 - 30		6500	$750	$4,486	$4,045	$3,805	$3,585
	31 - 37		13000	$750	$4,570	$4,123	$3,876	$3,652
	38 - 45		13000	$750	$4,641	$4,188	$3,935	$3,708
	46 - 50		13000	$750	$4,737	$4,276	$4,015	$3,784
80	4 - 10	Premium	6500	$750	$4,184	$3,769	$3,554	$3,346
	11 - 20		6500	$750	$4,401	$3,968	$3,735	$3,517
	21 - 30		6500	$750	$4,486	$4,045	$3,805	$3,585
	31 - 40		13000	$750	$4,570	$4,123	$3,876	$3,652
	41 - 50		13000	$750	$4,737	$4,276	$4,015	$3,784
85	4 - 8	Basic	6500	$750	$4,302	$3,875	$3,654	$3,440
	9 - 15		6500	$750	$4,367	$3,935	$3,709	$3,492
	16 - 21		6500	$750	$4,519	$4,074	$3,835	$3,612
	22 - 30		6500	$750	$4,604	$4,151	$3,906	$3,679
	31 - 37		13000	$750	$4,688	$4,229	$3,976	$3,746
	38 - 45		13000	$750	$4,759	$4,294	$4,035	$3,802
	46 - 50		13000	$750	$4,855	$4,382	$4,115	$3,878
85	4 - 10	Premium	6500	$750	$4,302	$3,875	$3,654	$3,440
	11 - 20		6500	$750	$4,519	$4,074	$3,835	$3,612
	21 - 30		6500	$750	$4,604	$4,151	$3,906	$3,679
	31 - 40		13000	$750	$4,688	$4,229	$3,976	$3,746
	41 - 50		13000	$750	$4,855	$4,382	$4,115	$3,878

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
90	4 - 8	Basic	6500	$750	$4,418	$3,980	$3,753	$3,533
	9 - 15		6500	$750	$4,484	$4,039	$3,807	$3,585
	16 - 21		6500	$750	$4,635	$4,178	$3,934	$3,705
	22 - 30		6500	$750	$4,720	$4,256	$4,004	$3,772
	31 - 37		13000	$750	$4,805	$4,334	$4,075	$3,839
	38 - 45		13000	$750	$4,875	$4,398	$4,134	$3,895
	46 - 50		13000	$750	$4,972	$4,487	$4,214	$3,971
90	4 - 10	Premium	6500	$750	$4,418	$3,980	$3,753	$3,533
	11 - 20		6500	$750	$4,635	$4,178	$3,934	$3,705
	21 - 30		6500	$750	$4,720	$4,256	$4,004	$3,772
	31 - 40		13000	$750	$4,805	$4,334	$4,075	$3,839
	41 - 50		13000	$750	$4,972	$4,487	$4,214	$3,971
100	4 - 8	Basic	6500	$750	$4,652	$4,190	$3,952	$3,721
	9 - 15		6500	$750	$4,718	$4,250	$4,006	$3,772
	16 - 21		6500	$750	$4,869	$4,389	$4,133	$3,892
	22 - 30		6500	$750	$4,954	$4,467	$4,203	$3,959
	31 - 37		13000	$750	$5,039	$4,544	$4,274	$4,027
	38 - 45		13000	$750	$5,109	$4,609	$4,333	$4,082
	46 - 50		13000	$750	$5,206	$4,697	$4,413	$4,159
100	4 - 10	Premium	6500	$750	$4,652	$4,190	$3,952	$3,721
	11 - 20		6500	$750	$4,869	$4,389	$4,133	$3,892
	21 - 30		6500	$750	$4,954	$4,467	$4,203	$3,959
	31 - 40		13000	$750	$5,039	$4,544	$4,274	$4,027
	41 - 50		13000	$750	$5,206	$4,697	$4,413	$4,159

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

3. Ethernet Provisioning, (Cont'd.)

Bandwidth (Mbps)	Call Package (Number of Simultaneous Calls)		Long Distance Allowance (Minutes of Use)	Nonrecurring Charge	Monthly Recurring Charge			
					12 Months	24 Months	36 Months	60 Months
350	4 - 8	Basic	6500	$750	$11,709	$11,696	$11,682	$11,676
	9 - 15		6500	$750	$11,774	$11,755	$11,737	$11,727
	16 - 21		6500	$750	$11,926	$11,894	$11,863	$11,847
	22 - 30		6500	$750	$12,011	$11,972	$11,934	$11,915
	31 - 37		13000	$750	$12,095	$12,050	$12,004	$11,982
	38 - 45		13000	$750	$12,166	$12,114	$12,063	$12,038
	46 - 50		13000	$750	$12,262	$12,203	$12,143	$12,114
350	4 - 10	Premium	6500	$750	$11,709	$11,696	$11,682	$11,676
	11 - 20		6500	$750	$11,926	$11,894	$11,863	$11,847
	21 - 30		6500	$750	$12,011	$11,972	$11,934	$11,915
	31 - 40		13000	$750	$12,095	$12,050	$12,004	$11,982
	41 - 50		13000	$750	$12,262	$12,203	$12,143	$12,114

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.2 Converged Voice Service, (Cont'd.)

5.2.3 Rates and Charges, (Cont'd.)

C. Converged Voice + VPN + Secure Internet Access, (Cont'd.)

All rates are applied per service location:

4. Transport

Bandwidth (Mbps)	Nonrecurring Charge	Monthly Recurring Charge			
		12 Months	24 Months	36 Months	60 Months
T1	$0	$85	$77	$72	$68
DS3	$0	$325	$293	$276	$260
OC3	$0	$915	$824	$778	$732
OC12	$0	$1,755	$1,580	$1,492	$1,404
OC48	$0	$6,000	$5,400	$5,100	$4,800
Ethernet 10 Mbps	$0	$325	$293	$276	$260
Ethernet 100 Mbps	$0	$325	$293	$276	$260
Ethernet 1 Gbps	$0	$500	$450	$425	$400

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.3 FlexVoice℠ Service

5.3.1 General

FlexVoice Service offers a selection of simultaneous call paths configured as digital channels (trunk or PRI) and/or analog business lines across a single access connection (see restrictions in paragraph B below). FlexVoice Service offers the Customer digital connectivity and/or business lines for both incoming and outgoing access. Service is provisioned using T1s or Ethernet and is offered in DS0 level increments (call paths). A Company-provided Integrated Access Device (IAD) is installed at the Customer's premises. The IAD converts IP voice from the Wide Area Network (WAN) into TDM voice (PRI, Digital Trunks, or Business Lines). The Customer is solely responsible for the acquisition, repair and maintenance of any back-up power system that the Customer deems necessary to support its telecommunications systems. In the event of a power failure, the absence or failure of a battery back-up system will result in the loss of use of the FlexVoice Service, including 911 service. The Company has no liability or responsibility for such loss of service.

5.3.2 Call Path Restrictions

Digital channels and PRI channels cannot be provisioned on the same device. Each IAD can support the following maximums:

24 Analog Business Lines
48 Digital Trunk Channels
46 PRI Channels
50 Total call paths when provisioning a combination of analog lines and digital channels

5.3.3 Long Distance Calling Allowance

The Customer receives a long distance allowance, which may be used for direct dialed and/or toll free services, based on the call paths purchased.

Call Paths	Monthly Long Distance Allowance Minutes of Use
1-30	6,500
31-50	13,000

Additional Toll Services are provided pursuant to the Company's published tariffs and rate schedules. The Customer who does not select the Company as their long distance provider is not eligible to receive the monthly allowance of long distance minutes of usage.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.3 FlexVoice℠ Service, (Cont'd.)

5.3.4 Line Features

A. For the Customer who selects line based channels, the Deluxe Feature Package defined in Section 6.1.3 is available at no additional charge. The Customer is also eligible to purchase the Custom Feature Package as defined in Section 6.1.3.

B. The Customer is eligible for one Basic Voice Mailbox per FlexVoice line at no additional charge.

5.3.5 Telephone Numbers

The Customer receives the first 100 telephone numbers (Individual Telephone Numbers (ITN), Virtual Telephone Numbers (VTN) and Remote Telephone Numbers (RTN) per service location at no charge. Additional ITNs are charged as described in Section 6.17. Additional VTNs are charged as described in Section 6.18. Additional RTNs are charged as described in Section 6.19.

5.3.6 Rates and Charges

A. Application of Rates

FlexVoice Service is a flat rated service. A Monthly Recurring Charge applies for the service and calls made within the local calling area are included at no additional charge. To the extent facilities are available, services offered under this tariff are provided by the Company on an On-Net basis. Unless otherwise noted, prices for services offered under this tariff reflect the On-Net price for such services. Where service is provided on an Off-Net basis, additional charges may apply.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.3 FlexVoice℠ Service, (Cont'd.)

5.3.6 Rates and Charges, (Cont'd.)

B. Rates

All rates are applied per FlexVoice Service at each service location:

Call Paths	Flex Call Minutes	Nonrecurring Charges	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1 - 10	6500	$500.00	$450.00	$405.00	$360.00	$315.00
11 - 15	6500	$500.00	$491.00	$442.00	$393.00	$344.00
16 - 20	6500	$500.00	$533.00	$480.00	$426.00	$373.00
21 - 25	6500	$500.00	$575.00	$517.00	$460.00	$402.00
26 - 30	6500	$500.00	$690.00	$621.00	$552.00	$483.00
31 - 35	13000	$500.00	$805.00	$724.00	$644.00	$563.00
36 - 40	13000	$500.00	$920.00	$828.00	$736.00	$644.00
41 - 45	13000	$500.00	$1,035.00	$931.00	$828.00	$724.00
46 - 50	13000	$500.00	$1,150.00	$1,035.00	$920.00	$805.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service

5.4.1 General

SIP (Session Initiation Protocol) Trunking Service offers voice channels over Ethernet or TDM services which enable a Customer to originate and terminate calls using IP format. Service is offered in increments of 5 call paths (5 DS0 equivalents) with a minimum of 25 call paths and a maximum of 2,000. All services utilizing TDM-based transport require the installation of a Company-provided managed router to convert the interface from TDM to Ethernet.

The demarcation between the Customer's switch or network and the Company's network is a Company-provided Session Border Controller (SBC) installed at the Customer's premises. The compatibility of the make, model and release of the Customer premises equipment must be verified prior to purchase of the SIP Trunking Service.

Upon disconnection of the services, all Company-provided equipment must be returned to the Company.

5.4.2 Service Limitations

SIP Trunking Service is not designed for, but may be compatible with, faxing, remote metering, supervisory control and alarm signaling. Customer is responsible for ensuring compatibility when using SIP Trunking Service for these purposes.

SIP Trunking Service is designed to support 911 addressing only at the Customer's physical service location, or at eligible remote locations validated by the Company.

The Customer is solely responsible for the acquisition, repair and maintenance of any back-up power system that the Customer deems necessary to support its telecommunications systems. In the event of a power failure, the absence or failure of a battery back-up system will result in the loss of use of the SIP Trunking Service, including 911 service. The Company has no liability or responsibility for such loss of service.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.3 Long Distance Calling Allowance

The Customer receives a long distance allowance, which may be used for direct dialed and/or toll free services, based on the call paths purchased.

Call Paths	Monthly Long Distance Allowance Minutes of Use
25-45	6,500
50-70	13,000
75-95	19,500
100-120	26,000
125-145	32,500
150-170	39,000
175-195	45,500
200-220	52,000
225-245	58,500
250-2,000	65,000

Additional Toll Services are provided pursuant to the Company's published tariffs and rate schedules. The Customer who does not select the Company as their long distance provider is not eligible to receive the monthly allowance of long distance minutes of usage.

5.4.4 Telephone Numbers

The Customer receives the first 100 telephone numbers (Individual Telephone Number (ITN), Virtual Telephone Number (VTN) and Remote Telephone Number (RTN)) per service location at no charge. Additional ITNs are charged as described in Section 6.17. Additional VTNs are charged as described in Section 6.18. Additional RTNs are charged as described in Section 6.19.

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges

A. Application of Rates

SIP Trunking Service is comprised of two rate elements; a transport charge and a call path bundle. There is no additional charge for the managed router required for TDM or Off-Net provisioning. To the extent facilities are available, services offered under this tariff are provided by the Company on an On-Net basis. Unless otherwise noted, prices for services offered under this tariff reflect the On-Net price for such services. Where service is provided on an Off-Net basis, additional charges may apply.

B. Rates

All rates are applied per SIP Trunking Service arrangement at each service location:

1. Transport

Bandwidth (Mbps)	Nonrecurring Charge	Monthly Recurring Charge			
		12 Months	24 Months	36 Months	60 Months
T1	$0	$85	$77	$72	$68
DS3	$0	$325	$293	$276	$260
Ethernet 100 Mbps	$0	$325	$293	$276	$260
Ethernet 1 Gbps	$0	$500	$450	$425	$400

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
25	6,500	$500.00	$594.00	$495.00	$450.00	$427.50
30	6,500	$500.00	$712.80	$594.00	$540.00	$513.00
35	6,500	$500.00	$831.60	$693.00	$630.00	$598.50
40	6,500	$500.00	$950.40	$792.00	$720.00	$684.00
45	6,500	$500.00	$1,069.20	$891.00	$810.00	$769.50
50	13,000	$500.00	$1,188.00	$990.00	$900.00	$855.00
55	13,000	$500.00	$1,306.80	$1,089.00	$990.00	$940.50
60	13,000	$500.00	$1,425.60	$1,188.00	$1,080.00	$1,026.00
65	13,000	$500.00	$1,544.40	$1,287.00	$1,170.00	$1,111.50
70	13,000	$500.00	$1,663.20	$1,386.00	$1,260.00	$1,197.00
75	19,500	$500.00	$1,782.00	$1,485.00	$1,350.00	$1,282.50
80	19,500	$500.00	$1,900.80	$1,584.00	$1,440.00	$1,368.00
85	19,500	$500.00	$2,019.60	$1,683.00	$1,530.00	$1,453.50
90	19,500	$500.00	$2,138.40	$1,782.00	$1,620.00	$1,539.00
95	19,500	$500.00	$2,257.20	$1,881.00	$1,710.00	$1,624.50
100	26,000	$500.00	$2,376.00	$1,980.00	$1,800.00	$1,710.00
105	26,000	$500.00	$2,494.80	$2,079.00	$1,890.00	$1,795.50
110	26,000	$500.00	$2,613.60	$2,178.00	$1,980.00	$1,881.00
115	26,000	$500.00	$2,732.40	$2,277.00	$2,070.00	$1,966.50
120	26,000	$500.00	$2,851.20	$2,376.00	$2,160.00	$2,052.00
125	32,500	$500.00	$2,805.00	$2,337.50	$2,125.00	$2,018.75
130	32,500	$500.00	$2,917.20	$2,431.00	$2,210.00	$2,099.50
135	32,500	$500.00	$3,029.40	$2,524.50	$2,295.00	$2,180.25
140	32,500	$500.00	$3,141.60	$2,618.00	$2,380.00	$2,261.00
145	32,500	$500.00	$3,253.80	$2,711.50	$2,465.00	$2,341.75
150	39,000	$500.00	$3,366.00	$2,805.00	$2,550.00	$2,422.50
155	39,000	$500.00	$3,478.20	$2,898.50	$2,635.00	$2,503.25
160	39,000	$500.00	$3,590.40	$2,992.00	$2,720.00	$2,584.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
165	39,000	$500.00	$3,702.60	$3,085.50	$2,805.00	$2,664.75
170	39,000	$500.00	$3,814.80	$3,179.00	$2,890.00	$2,745.50
175	45,500	$500.00	$3,927.00	$3,272.50	$2,975.00	$2,826.25
180	45,500	$500.00	$4,039.20	$3,366.00	$3,060.00	$2,907.00
185	45,500	$500.00	$4,151.40	$3,459.50	$3,145.00	$2,987.75
190	45,500	$500.00	$4,263.60	$3,553.00	$3,230.00	$3,068.50
195	45,500	$500.00	$4,375.80	$3,646.50	$3,315.00	$3,149.25
200	52,000	$500.00	$4,488.00	$3,740.00	$3,400.00	$3,230.00
205	52,000	$500.00	$4,600.20	$3,833.50	$3,485.00	$3,310.75
210	52,000	$500.00	$4,712.40	$3,927.00	$3,570.00	$3,391.50
215	52,000	$500.00	$4,824.60	$4,020.50	$3,655.00	$3,472.25
220	52,000	$500.00	$4,936.80	$4,114.00	$3,740.00	$3,553.00
225	58,500	$500.00	$5,049.00	$4,207.50	$3,825.00	$3,633.75
230	58,500	$500.00	$5,161.20	$4,301.00	$3,910.00	$3,714.50
235	58,500	$500.00	$5,273.40	$4,394.50	$3,995.00	$3,795.25
240	58,500	$500.00	$5,385.60	$4,488.00	$4,080.00	$3,876.00
245	58,500	$500.00	$5,497.80	$4,581.50	$4,165.00	$3,956.75
250	65,000	$500.00	$5,610.00	$4,675.00	$4,250.00	$4,037.50
255	65,000	$500.00	$5,722.20	$4,768.50	$4,335.00	$4,118.25
260	65,000	$500.00	$5,834.40	$4,862.00	$4,420.00	$4,199.00
265	65,000	$500.00	$5,946.60	$4,955.50	$4,505.00	$4,279.75
270	65,000	$500.00	$6,058.80	$5,049.00	$4,590.00	$4,360.50
275	65,000	$500.00	$5,808.00	$4,840.00	$4,400.00	$4,180.00
280	65,000	$500.00	$5,913.60	$4,928.00	$4,480.00	$4,256.00
285	65,000	$500.00	$6,019.20	$5,016.00	$4,560.00	$4,332.00
290	65,000	$500.00	$6,124.80	$5,104.00	$4,640.00	$4,408.00
295	65,000	$500.00	$6,230.40	$5,192.00	$4,720.00	$4,484.00
300	65,000	$500.00	$6,336.00	$5,280.00	$4,800.00	$4,560.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
305	65,000	$500.00	$6,441.60	$5,368.00	$4,880.00	$4,636.00
310	65,000	$500.00	$6,547.20	$5,456.00	$4,960.00	$4,712.00
315	65,000	$500.00	$6,652.80	$5,544.00	$5,040.00	$4,788.00
320	65,000	$500.00	$6,758.40	$5,632.00	$5,120.00	$4,864.00
325	65,000	$500.00	$6,864.00	$5,720.00	$5,200.00	$4,940.00
330	65,000	$500.00	$6,969.60	$5,808.00	$5,280.00	$5,016.00
335	65,000	$500.00	$7,075.20	$5,896.00	$5,360.00	$5,092.00
340	65,000	$500.00	$7,180.80	$5,984.00	$5,440.00	$5,168.00
345	65,000	$500.00	$7,286.40	$6,072.00	$5,520.00	$5,244.00
350	65,000	$500.00	$7,392.00	$6,160.00	$5,600.00	$5,320.00
355	65,000	$500.00	$7,497.60	$6,248.00	$5,680.00	$5,396.00
360	65,000	$500.00	$7,603.20	$6,336.00	$5,760.00	$5,472.00
365	65,000	$500.00	$7,708.80	$6,424.00	$5,840.00	$5,548.00
370	65,000	$500.00	$7,814.40	$6,512.00	$5,920.00	$5,624.00
375	65,000	$500.00	$7,920.00	$6,600.00	$6,000.00	$5,700.00
380	65,000	$500.00	$8,025.60	$6,688.00	$6,080.00	$5,776.00
385	65,000	$500.00	$8,131.20	$6,776.00	$6,160.00	$5,852.00
390	65,000	$500.00	$8,236.80	$6,864.00	$6,240.00	$5,928.00
395	65,000	$500.00	$8,342.40	$6,952.00	$6,320.00	$6,004.00
400	65,000	$500.00	$8,448.00	$7,040.00	$6,400.00	$6,080.00
405	65,000	$500.00	$8,553.60	$7,128.00	$6,480.00	$6,156.00
410	65,000	$500.00	$8,659.20	$7,216.00	$6,560.00	$6,232.00
415	65,000	$500.00	$8,764.80	$7,304.00	$6,640.00	$6,308.00
420	65,000	$500.00	$8,870.40	$7,392.00	$6,720.00	$6,384.00
425	65,000	$500.00	$8,976.00	$7,480.00	$6,800.00	$6,460.00
430	65,000	$500.00	$9,081.60	$7,568.00	$6,880.00	$6,536.00
435	65,000	$500.00	$9,187.20	$7,656.00	$6,960.00	$6,612.00
440	65,000	$500.00	$9,292.80	$7,744.00	$7,040.00	$6,688.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
445	65,000	$500.00	$9,398.40	$7,832.00	$7,120.00	$6,764.00
450	65,000	$500.00	$9,504.00	$7,920.00	$7,200.00	$6,840.00
455	65,000	$500.00	$9,609.60	$8,008.00	$7,280.00	$6,916.00
460	65,000	$500.00	$9,715.20	$8,096.00	$7,360.00	$6,992.00
465	65,000	$500.00	$9,820.80	$8,184.00	$7,440.00	$7,068.00
470	65,000	$500.00	$9,926.40	$8,272.00	$7,520.00	$7,144.00
475	65,000	$500.00	$10,032.00	$8,360.00	$7,600.00	$7,220.00
480	65,000	$500.00	$10,137.60	$8,448.00	$7,680.00	$7,296.00
485	65,000	$500.00	$10,243.20	$8,536.00	$7,760.00	$7,372.00
490	65,000	$500.00	$10,348.80	$8,624.00	$7,840.00	$7,448.00
495	65,000	$500.00	$10,454.40	$8,712.00	$7,920.00	$7,524.00
500	65,000	$500.00	$10,560.00	$8,800.00	$8,000.00	$7,600.00
505	65,000	$500.00	$10,665.60	$8,888.00	$8,080.00	$7,676.00
510	65,000	$500.00	$10,771.20	$8,976.00	$8,160.00	$7,752.00
515	65,000	$500.00	$10,876.80	$9,064.00	$8,240.00	$7,828.00
520	65,000	$500.00	$10,982.40	$9,152.00	$8,320.00	$7,904.00
525	65,000	$500.00	$11,088.00	$9,240.00	$8,400.00	$7,980.00
530	65,000	$500.00	$11,193.60	$9,328.00	$8,480.00	$8,056.00
535	65,000	$500.00	$11,299.20	$9,416.00	$8,560.00	$8,132.00
540	65,000	$500.00	$11,404.80	$9,504.00	$8,640.00	$8,208.00
545	65,000	$500.00	$11,510.40	$9,592.00	$8,720.00	$8,284.00
550	65,000	$500.00	$10,890.00	$9,075.00	$8,250.00	$7,837.50
555	65,000	$500.00	$10,989.00	$9,157.50	$8,325.00	$7,908.75
560	65,000	$500.00	$11,088.00	$9,240.00	$8,400.00	$7,980.00
565	65,000	$500.00	$11,187.00	$9,322.50	$8,475.00	$8,051.25
570	65,000	$500.00	$11,286.00	$9,405.00	$8,550.00	$8,122.50
575	65,000	$500.00	$11,385.00	$9,487.50	$8,625.00	$8,193.75
580	65,000	$500.00	$11,484.00	$9,570.00	$8,700.00	$8,265.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
585	65,000	$500.00	$11,583.00	$9,652.50	$8,775.00	$8,336.25
590	65,000	$500.00	$11,682.00	$9,735.00	$8,850.00	$8,407.50
595	65,000	$500.00	$11,781.00	$9,817.50	$8,925.00	$8,478.75
600	65,000	$500.00	$11,880.00	$9,900.00	$9,000.00	$8,550.00
605	65,000	$500.00	$11,979.00	$9,982.50	$9,075.00	$8,621.25
610	65,000	$500.00	$12,078.00	$10,065.00	$9,150.00	$8,692.50
615	65,000	$500.00	$12,177.00	$10,147.50	$9,225.00	$8,763.75
620	65,000	$500.00	$12,276.00	$10,230.00	$9,300.00	$8,835.00
625	65,000	$500.00	$12,375.00	$10,312.50	$9,375.00	$8,906.25
630	65,000	$500.00	$12,474.00	$10,395.00	$9,450.00	$8,977.50
635	65,000	$500.00	$12,573.00	$10,477.50	$9,525.00	$9,048.75
640	65,000	$500.00	$12,672.00	$10,560.00	$9,600.00	$9,120.00
645	65,000	$500.00	$12,771.00	$10,642.50	$9,675.00	$9,191.25
650	65,000	$500.00	$12,870.00	$10,725.00	$9,750.00	$9,262.50
655	65,000	$500.00	$12,969.00	$10,807.50	$9,825.00	$9,333.75
660	65,000	$500.00	$13,068.00	$10,890.00	$9,900.00	$9,405.00
665	65,000	$500.00	$13,167.00	$10,972.50	$9,975.00	$9,476.25
670	65,000	$500.00	$13,266.00	$11,055.00	$10,050.00	$9,547.50
675	65,000	$500.00	$13,365.00	$11,137.50	$10,125.00	$9,618.75
680	65,000	$500.00	$13,464.00	$11,220.00	$10,200.00	$9,690.00
685	65,000	$500.00	$13,563.00	$11,302.50	$10,275.00	$9,761.25
690	65,000	$500.00	$13,662.00	$11,385.00	$10,350.00	$9,832.50
695	65,000	$500.00	$13,761.00	$11,467.50	$10,425.00	$9,903.75
700	65,000	$500.00	$13,860.00	$11,550.00	$10,500.00	$9,975.00
705	65,000	$500.00	$13,959.00	$11,632.50	$10,575.00	$10,046.25
710	65,000	$500.00	$14,058.00	$11,715.00	$10,650.00	$10,117.50
715	65,000	$500.00	$14,157.00	$11,797.50	$10,725.00	$10,188.75
720	65,000	$500.00	$14,256.00	$11,880.00	$10,800.00	$10,260.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
725	65,000	$500.00	$14,355.00	$11,962.50	$10,875.00	$10,331.25
730	65,000	$500.00	$14,454.00	$12,045.00	$10,950.00	$10,402.50
735	65,000	$500.00	$14,553.00	$12,127.50	$11,025.00	$10,473.75
740	65,000	$500.00	$14,652.00	$12,210.00	$11,100.00	$10,545.00
745	65,000	$500.00	$14,751.00	$12,292.50	$11,175.00	$10,616.25
750	65,000	$500.00	$14,850.00	$12,375.00	$11,250.00	$10,687.50
755	65,000	$500.00	$14,949.00	$12,457.50	$11,325.00	$10,758.75
760	65,000	$500.00	$15,048.00	$12,540.00	$11,400.00	$10,830.00
765	65,000	$500.00	$15,147.00	$12,622.50	$11,475.00	$10,901.25
770	65,000	$500.00	$15,246.00	$12,705.00	$11,550.00	$10,972.50
775	65,000	$500.00	$15,345.00	$12,787.50	$11,625.00	$11,043.75
780	65,000	$500.00	$15,444.00	$12,870.00	$11,700.00	$11,115.00
785	65,000	$500.00	$15,543.00	$12,952.50	$11,775.00	$11,186.25
790	65,000	$500.00	$15,642.00	$13,035.00	$11,850.00	$11,257.50
795	65,000	$500.00	$15,741.00	$13,117.50	$11,925.00	$11,328.75
800	65,000	$500.00	$15,840.00	$13,200.00	$12,000.00	$11,400.00
805	65,000	$500.00	$15,939.00	$13,282.50	$12,075.00	$11,471.25
810	65,000	$500.00	$16,038.00	$13,365.00	$12,150.00	$11,542.50
815	65,000	$500.00	$16,137.00	$13,447.50	$12,225.00	$11,613.75
820	65,000	$500.00	$16,236.00	$13,530.00	$12,300.00	$11,685.00
825	65,000	$500.00	$16,335.00	$13,612.50	$12,375.00	$11,756.25
830	65,000	$500.00	$16,434.00	$13,695.00	$12,450.00	$11,827.50
835	65,000	$500.00	$16,533.00	$13,777.50	$12,525.00	$11,898.75
840	65,000	$500.00	$16,632.00	$13,860.00	$12,600.00	$11,970.00
845	65,000	$500.00	$16,731.00	$13,942.50	$12,675.00	$12,041.25
850	65,000	$500.00	$16,830.00	$14,025.00	$12,750.00	$12,112.50
855	65,000	$500.00	$16,929.00	$14,107.50	$12,825.00	$12,183.75
860	65,000	$500.00	$17,028.00	$14,190.00	$12,900.00	$12,255.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
865	65,000	$500.00	$17,127.00	$14,272.50	$12,975.00	$12,326.25
870	65,000	$500.00	$17,226.00	$14,355.00	$13,050.00	$12,397.50
875	65,000	$500.00	$17,325.00	$14,437.50	$13,125.00	$12,468.75
880	65,000	$500.00	$17,424.00	$14,520.00	$13,200.00	$12,540.00
885	65,000	$500.00	$17,523.00	$14,602.50	$13,275.00	$12,611.25
890	65,000	$500.00	$17,622.00	$14,685.00	$13,350.00	$12,682.50
895	65,000	$500.00	$17,721.00	$14,767.50	$13,425.00	$12,753.75
900	65,000	$500.00	$17,820.00	$14,850.00	$13,500.00	$12,825.00
905	65,000	$500.00	$17,919.00	$14,932.50	$13,575.00	$12,896.25
910	65,000	$500.00	$18,018.00	$15,015.00	$13,650.00	$12,967.50
915	65,000	$500.00	$18,117.00	$15,097.50	$13,725.00	$13,038.75
920	65,000	$500.00	$18,216.00	$15,180.00	$13,800.00	$13,110.00
925	65,000	$500.00	$18,315.00	$15,262.50	$13,875.00	$13,181.25
930	65,000	$500.00	$18,414.00	$15,345.00	$13,950.00	$13,252.50
935	65,000	$500.00	$18,513.00	$15,427.50	$14,025.00	$13,323.75
940	65,000	$500.00	$18,612.00	$15,510.00	$14,100.00	$13,395.00
945	65,000	$500.00	$18,711.00	$15,592.50	$14,175.00	$13,466.25
950	65,000	$500.00	$18,810.00	$15,675.00	$14,250.00	$13,537.50
955	65,000	$500.00	$18,909.00	$15,757.50	$14,325.00	$13,608.75
960	65,000	$500.00	$19,008.00	$15,840.00	$14,400.00	$13,680.00
965	65,000	$500.00	$19,107.00	$15,922.50	$14,475.00	$13,751.25
970	65,000	$500.00	$19,206.00	$16,005.00	$14,550.00	$13,822.50
975	65,000	$500.00	$19,305.00	$16,087.50	$14,625.00	$13,893.75
980	65,000	$500.00	$19,404.00	$16,170.00	$14,700.00	$13,965.00
985	65,000	$500.00	$19,503.00	$16,252.50	$14,775.00	$14,036.25
990	65,000	$500.00	$19,602.00	$16,335.00	$14,850.00	$14,107.50
995	65,000	$500.00	$19,701.00	$16,417.50	$14,925.00	$14,178.75
1000	65,000	$500.00	$19,800.00	$16,500.00	$15,000.00	$14,250.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1005	65,000	$500.00	$19,899.00	$16,582.50	$15,075.00	$14,321.25
1010	65,000	$500.00	$19,998.00	$16,665.00	$15,150.00	$14,392.50
1015	65,000	$500.00	$20,097.00	$16,747.50	$15,225.00	$14,463.75
1020	65,000	$500.00	$20,196.00	$16,830.00	$15,300.00	$14,535.00
1025	65,000	$500.00	$20,295.00	$16,912.50	$15,375.00	$14,606.25
1030	65,000	$500.00	$20,394.00	$16,995.00	$15,450.00	$14,677.50
1035	65,000	$500.00	$20,493.00	$17,077.50	$15,525.00	$14,748.75
1040	65,000	$500.00	$20,592.00	$17,160.00	$15,600.00	$14,820.00
1045	65,000	$500.00	$20,691.00	$17,242.50	$15,675.00	$14,891.25
1050	65,000	$500.00	$20,790.00	$17,325.00	$15,750.00	$14,962.50
1055	65,000	$500.00	$20,889.00	$17,407.50	$15,825.00	$15,033.75
1060	65,000	$500.00	$20,988.00	$17,490.00	$15,900.00	$15,105.00
1065	65,000	$500.00	$21,087.00	$17,572.50	$15,975.00	$15,176.25
1070	65,000	$500.00	$21,186.00	$17,655.00	$16,050.00	$15,247.50
1075	65,000	$500.00	$21,285.00	$17,737.50	$16,125.00	$15,318.75
1080	65,000	$500.00	$21,384.00	$17,820.00	$16,200.00	$15,390.00
1085	65,000	$500.00	$21,483.00	$17,902.50	$16,275.00	$15,461.25
1090	65,000	$500.00	$21,582.00	$17,985.00	$16,350.00	$15,532.50
1095	65,000	$500.00	$21,681.00	$18,067.50	$16,425.00	$15,603.75
1100	65,000	$500.00	$19,965.00	$16,637.50	$15,125.00	$14,368.75
1105	65,000	$500.00	$20,055.75	$16,713.13	$15,193.75	$14,434.06
1110	65,000	$500.00	$20,146.50	$16,788.75	$15,262.50	$14,499.38
1115	65,000	$500.00	$20,237.25	$16,864.38	$15,331.25	$14,564.69
1120	65,000	$500.00	$20,328.00	$16,940.00	$15,400.00	$14,630.00
1125	65,000	$500.00	$20,418.75	$17,015.63	$15,468.75	$14,695.31
1130	65,000	$500.00	$20,509.50	$17,091.25	$15,537.50	$14,760.63
1135	65,000	$500.00	$20,600.25	$17,166.88	$15,606.25	$14,825.94
1140	65,000	$500.00	$20,691.00	$17,242.50	$15,675.00	$14,891.25

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1145	65,000	$500.00	$20,781.75	$17,318.13	$15,743.75	$14,956.56
1150	65,000	$500.00	$20,872.50	$17,393.75	$15,812.50	$15,021.88
1155	65,000	$500.00	$20,963.25	$17,469.38	$15,881.25	$15,087.19
1160	65,000	$500.00	$21,054.00	$17,545.00	$15,950.00	$15,152.50
1165	65,000	$500.00	$21,144.75	$17,620.63	$16,018.75	$15,217.81
1170	65,000	$500.00	$21,235.50	$17,696.25	$16,087.50	$15,283.13
1175	65,000	$500.00	$21,326.25	$17,771.88	$16,156.25	$15,348.44
1180	65,000	$500.00	$21,417.00	$17,847.50	$16,225.00	$15,413.75
1185	65,000	$500.00	$21,507.75	$17,923.13	$16,293.75	$15,479.06
1190	65,000	$500.00	$21,598.50	$17,998.75	$16,362.50	$15,544.38
1195	65,000	$500.00	$21,689.25	$18,074.38	$16,431.25	$15,609.69
1200	65,000	$500.00	$21,780.00	$18,150.00	$16,500.00	$15,675.00
1205	65,000	$500.00	$21,870.75	$18,225.63	$16,568.75	$15,740.31
1210	65,000	$500.00	$21,961.50	$18,301.25	$16,637.50	$15,805.63
1215	65,000	$500.00	$22,052.25	$18,376.88	$16,706.25	$15,870.94
1220	65,000	$500.00	$22,143.00	$18,452.50	$16,775.00	$15,936.25
1225	65,000	$500.00	$22,233.75	$18,528.13	$16,843.75	$16,001.56
1230	65,000	$500.00	$22,324.50	$18,603.75	$16,912.50	$16,066.88
1235	65,000	$500.00	$22,415.25	$18,679.38	$16,981.25	$16,132.19
1240	65,000	$500.00	$22,506.00	$18,755.00	$17,050.00	$16,197.50
1245	65,000	$500.00	$22,596.75	$18,830.63	$17,118.75	$16,262.81
1250	65,000	$500.00	$22,687.50	$18,906.25	$17,187.50	$16,328.13
1255	65,000	$500.00	$22,778.25	$18,981.88	$17,256.25	$16,393.44
1260	65,000	$500.00	$22,869.00	$19,057.50	$17,325.00	$16,458.75
1265	65,000	$500.00	$22,959.75	$19,133.13	$17,393.75	$16,524.06
1270	65,000	$500.00	$23,050.50	$19,208.75	$17,462.50	$16,589.38
1275	65,000	$500.00	$23,141.25	$19,284.38	$17,531.25	$16,654.69
1280	65,000	$500.00	$23,232.00	$19,360.00	$17,600.00	$16,720.00

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1285	65,000	$500.00	$23,322.75	$19,435.63	$17,668.75	$16,785.31
1290	65,000	$500.00	$23,413.50	$19,511.25	$17,737.50	$16,850.63
1295	65,000	$500.00	$23,504.25	$19,586.88	$17,806.25	$16,915.94
1300	65,000	$500.00	$23,595.00	$19,662.50	$17,875.00	$16,981.25
1305	65,000	$500.00	$23,685.75	$19,738.13	$17,943.75	$17,046.56
1310	65,000	$500.00	$23,776.50	$19,813.75	$18,012.50	$17,111.88
1315	65,000	$500.00	$23,867.25	$19,889.38	$18,081.25	$17,177.19
1320	65,000	$500.00	$23,958.00	$19,965.00	$18,150.00	$17,242.50
1325	65,000	$500.00	$24,048.75	$20,040.63	$18,218.75	$17,307.81
1330	65,000	$500.00	$24,139.50	$20,116.25	$18,287.50	$17,373.13
1335	65,000	$500.00	$24,230.25	$20,191.88	$18,356.25	$17,438.44
1340	65,000	$500.00	$24,321.00	$20,267.50	$18,425.00	$17,503.75
1345	65,000	$500.00	$24,411.75	$20,343.13	$18,493.75	$17,569.06
1350	65,000	$500.00	$24,502.50	$20,418.75	$18,562.50	$17,634.38
1355	65,000	$500.00	$24,593.25	$20,494.38	$18,631.25	$17,699.69
1360	65,000	$500.00	$24,684.00	$20,570.00	$18,700.00	$17,765.00
1365	65,000	$500.00	$24,774.75	$20,645.63	$18,768.75	$17,830.31
1370	65,000	$500.00	$24,865.50	$20,721.25	$18,837.50	$17,895.63
1375	65,000	$500.00	$24,956.25	$20,796.88	$18,906.25	$17,960.94
1380	65,000	$500.00	$25,047.00	$20,872.50	$18,975.00	$18,026.25
1385	65,000	$500.00	$25,137.75	$20,948.13	$19,043.75	$18,091.56
1390	65,000	$500.00	$25,228.50	$21,023.75	$19,112.50	$18,156.88
1395	65,000	$500.00	$25,319.25	$21,099.38	$19,181.25	$18,222.19
1400	65,000	$500.00	$25,410.00	$21,175.00	$19,250.00	$18,287.50
1405	65,000	$500.00	$25,500.75	$21,250.63	$19,318.75	$18,352.81
1410	65,000	$500.00	$25,591.50	$21,326.25	$19,387.50	$18,418.13
1415	65,000	$500.00	$25,682.25	$21,401.88	$19,456.25	$18,483.44
1420	65,000	$500.00	$25,773.00	$21,477.50	$19,525.00	$18,548.75

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1425	65,000	$500.00	$25,863.75	$21,553.13	$19,593.75	$18,614.06
1430	65,000	$500.00	$25,954.50	$21,628.75	$19,662.50	$18,679.38
1435	65,000	$500.00	$26,045.25	$21,704.38	$19,731.25	$18,744.69
1440	65,000	$500.00	$26,136.00	$21,780.00	$19,800.00	$18,810.00
1445	65,000	$500.00	$26,226.75	$21,855.63	$19,868.75	$18,875.31
1450	65,000	$500.00	$26,317.50	$21,931.25	$19,937.50	$18,940.63
1455	65,000	$500.00	$26,408.25	$22,006.88	$20,006.25	$19,005.94
1460	65,000	$500.00	$26,499.00	$22,082.50	$20,075.00	$19,071.25
1465	65,000	$500.00	$26,589.75	$22,158.13	$20,143.75	$19,136.56
1470	65,000	$500.00	$26,680.50	$22,233.75	$20,212.50	$19,201.88
1475	65,000	$500.00	$26,771.25	$22,309.38	$20,281.25	$19,267.19
1480	65,000	$500.00	$26,862.00	$22,385.00	$20,350.00	$19,332.50
1485	65,000	$500.00	$26,952.75	$22,460.63	$20,418.75	$19,397.81
1490	65,000	$500.00	$27,043.50	$22,536.25	$20,487.50	$19,463.13
1495	65,000	$500.00	$27,134.25	$22,611.88	$20,556.25	$19,528.44
1500	65,000	$500.00	$27,225.00	$22,687.50	$20,625.00	$19,593.75
1505	65,000	$500.00	$27,315.75	$22,763.13	$20,693.75	$19,659.06
1510	65,000	$500.00	$27,406.50	$22,838.75	$20,762.50	$19,724.38
1515	65,000	$500.00	$27,497.25	$22,914.38	$20,831.25	$19,789.69
1520	65,000	$500.00	$27,588.00	$22,990.00	$20,900.00	$19,855.00
1525	65,000	$500.00	$27,678.75	$23,065.63	$20,968.75	$19,920.31
1530	65,000	$500.00	$27,769.50	$23,141.25	$21,037.50	$19,985.63
1535	65,000	$500.00	$27,860.25	$23,216.88	$21,106.25	$20,050.94
1540	65,000	$500.00	$27,951.00	$23,292.50	$21,175.00	$20,116.25
1545	65,000	$500.00	$28,041.75	$23,368.13	$21,243.75	$20,181.56
1550	65,000	$500.00	$28,132.50	$23,443.75	$21,312.50	$20,246.88
1555	65,000	$500.00	$28,223.25	$23,519.38	$21,381.25	$20,312.19
1560	65,000	$500.00	$28,314.00	$23,595.00	$21,450.00	$20,377.50

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1565	65,000	$500.00	$28,404.75	$23,670.63	$21,518.75	$20,442.81
1570	65,000	$500.00	$28,495.50	$23,746.25	$21,587.50	$20,508.13
1575	65,000	$500.00	$28,586.25	$23,821.88	$21,656.25	$20,573.44
1580	65,000	$500.00	$28,677.00	$23,897.50	$21,725.00	$20,638.75
1585	65,000	$500.00	$28,767.75	$23,973.13	$21,793.75	$20,704.06
1590	65,000	$500.00	$28,858.50	$24,048.75	$21,862.50	$20,769.38
1595	65,000	$500.00	$28,949.25	$24,124.38	$21,931.25	$20,834.69
1600	65,000	$500.00	$29,040.00	$24,200.00	$22,000.00	$20,900.00
1605	65,000	$500.00	$29,130.75	$24,275.63	$22,068.75	$20,965.31
1610	65,000	$500.00	$29,221.50	$24,351.25	$22,137.50	$21,030.63
1615	65,000	$500.00	$29,312.25	$24,426.88	$22,206.25	$21,095.94
1620	65,000	$500.00	$29,403.00	$24,502.50	$22,275.00	$21,161.25
1625	65,000	$500.00	$29,493.75	$24,578.13	$22,343.75	$21,226.56
1630	65,000	$500.00	$29,584.50	$24,653.75	$22,412.50	$21,291.88
1635	65,000	$500.00	$29,675.25	$24,729.38	$22,481.25	$21,357.19
1640	65,000	$500.00	$29,766.00	$24,805.00	$22,550.00	$21,422.50
1645	65,000	$500.00	$29,856.75	$24,880.63	$22,618.75	$21,487.81
1650	65,000	$500.00	$29,947.50	$24,956.25	$22,687.50	$21,553.13
1655	65,000	$500.00	$30,038.25	$25,031.88	$22,756.25	$21,618.44
1660	65,000	$500.00	$30,129.00	$25,107.50	$22,825.00	$21,683.75
1665	65,000	$500.00	$30,219.75	$25,183.13	$22,893.75	$21,749.06
1670	65,000	$500.00	$30,310.50	$25,258.75	$22,962.50	$21,814.38
1675	65,000	$500.00	$30,401.25	$25,334.38	$23,031.25	$21,879.69
1680	65,000	$500.00	$30,492.00	$25,410.00	$23,100.00	$21,945.00
1685	65,000	$500.00	$30,582.75	$25,485.63	$23,168.75	$22,010.31
1690	65,000	$500.00	$30,673.50	$25,561.25	$23,237.50	$22,075.63
1695	65,000	$500.00	$30,764.25	$25,636.88	$23,306.25	$22,140.94
1700	65,000	$500.00	$30,855.00	$25,712.50	$23,375.00	$22,206.25
1705	65,000	$500.00	$30,945.75	$25,788.13	$23,443.75	$22,271.56

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1710	65,000	$500.00	$31,036.50	$25,863.75	$23,512.50	$22,336.88
1715	65,000	$500.00	$31,127.25	$25,939.38	$23,581.25	$22,402.19
1720	65,000	$500.00	$31,218.00	$26,015.00	$23,650.00	$22,467.50
1725	65,000	$500.00	$31,308.75	$26,090.63	$23,718.75	$22,532.81
1730	65,000	$500.00	$31,399.50	$26,166.25	$23,787.50	$22,598.13
1735	65,000	$500.00	$31,490.25	$26,241.88	$23,856.25	$22,663.44
1740	65,000	$500.00	$31,581.00	$26,317.50	$23,925.00	$22,728.75
1745	65,000	$500.00	$31,671.75	$26,393.13	$23,993.75	$22,794.06
1750	65,000	$500.00	$31,762.50	$26,468.75	$24,062.50	$22,859.38
1755	65,000	$500.00	$31,853.25	$26,544.38	$24,131.25	$22,924.69
1760	65,000	$500.00	$31,944.00	$26,620.00	$24,200.00	$22,990.00
1765	65,000	$500.00	$32,034.75	$26,695.63	$24,268.75	$23,055.31
1770	65,000	$500.00	$32,125.50	$26,771.25	$24,337.50	$23,120.63
1775	65,000	$500.00	$32,216.25	$26,846.88	$24,406.25	$23,185.94
1780	65,000	$500.00	$32,307.00	$26,922.50	$24,475.00	$23,251.25
1785	65,000	$500.00	$32,397.75	$26,998.13	$24,543.75	$23,316.56
1790	65,000	$500.00	$32,488.50	$27,073.75	$24,612.50	$23,381.88
1795	65,000	$500.00	$32,579.25	$27,149.38	$24,681.25	$23,447.19
1800	65,000	$500.00	$32,670.00	$27,225.00	$24,750.00	$23,512.50
1805	65,000	$500.00	$32,760.75	$27,300.63	$24,818.75	$23,577.81
1810	65,000	$500.00	$32,851.50	$27,376.25	$24,887.50	$23,643.13
1815	65,000	$500.00	$32,942.25	$27,451.88	$24,956.25	$23,708.44
1820	65,000	$500.00	$33,033.00	$27,527.50	$25,025.00	$23,773.75
1825	65,000	$500.00	$33,123.75	$27,603.13	$25,093.75	$23,839.06
1830	65,000	$500.00	$33,214.50	$27,678.75	$25,162.50	$23,904.38
1835	65,000	$500.00	$33,305.25	$27,754.38	$25,231.25	$23,969.69
1840	65,000	$500.00	$33,396.00	$27,830.00	$25,300.00	$24,035.00
1845	65,000	$500.00	$33,486.75	$27,905.63	$25,368.75	$24,100.31
1850	65,000	$500.00	$33,577.50	$27,981.25	$25,437.50	$24,165.63

SECTION 5 - NETWORK SERVICES, (CONT'D.)

5.4 SIP Trunking Service, (Cont'd.)

5.4.5 Rates and Charges, (Cont'd.)

B. Rates, (Cont'd.)

All rates are applied per SIP Trunking Service arrangement at each service location:

2. Simultaneous Call Path Increments, (Cont'd.)

Simultaneous Call Paths	Included LD MOUs	Nonrecurring Charge	Monthly Recurring Charge			
			12 Months	24 Months	36 Months	60 Months
1855	65,000	$500.00	$33,668.25	$28,056.88	$25,506.25	$24,230.94
1860	65,000	$500.00	$33,759.00	$28,132.50	$25,575.00	$24,296.25
1865	65,000	$500.00	$33,849.75	$28,208.13	$25,643.75	$24,361.56
1870	65,000	$500.00	$33,940.50	$28,283.75	$25,712.50	$24,426.88
1875	65,000	$500.00	$34,031.25	$28,359.38	$25,781.25	$24,492.19
1880	65,000	$500.00	$34,122.00	$28,435.00	$25,850.00	$24,557.50
1885	65,000	$500.00	$34,212.75	$28,510.63	$25,918.75	$24,622.81
1890	65,000	$500.00	$34,303.50	$28,586.25	$25,987.50	$24,688.13
1895	65,000	$500.00	$34,394.25	$28,661.88	$26,056.25	$24,753.44
1900	65,000	$500.00	$34,485.00	$28,737.50	$26,125.00	$24,818.75
1905	65,000	$500.00	$34,575.75	$28,813.13	$26,193.75	$24,884.06
1910	65,000	$500.00	$34,666.50	$28,888.75	$26,262.50	$24,949.38
1915	65,000	$500.00	$34,757.25	$28,964.38	$26,331.25	$25,014.69
1920	65,000	$500.00	$34,848.00	$29,040.00	$26,400.00	$25,080.00
1925	65,000	$500.00	$34,938.75	$29,115.63	$26,468.75	$25,145.31
1930	65,000	$500.00	$35,029.50	$29,191.25	$26,537.50	$25,210.63
1935	65,000	$500.00	$35,120.25	$29,266.88	$26,606.25	$25,275.94
1940	65,000	$500.00	$35,211.00	$29,342.50	$26,675.00	$25,341.25
1945	65,000	$500.00	$35,301.75	$29,418.13	$26,743.75	$25,406.56
1950	65,000	$500.00	$35,392.50	$29,493.75	$26,812.50	$25,471.88
1955	65,000	$500.00	$35,483.25	$29,569.38	$26,881.25	$25,537.19
1960	65,000	$500.00	$35,574.00	$29,645.00	$26,950.00	$25,602.50
1965	65,000	$500.00	$35,664.75	$29,720.63	$27,018.75	$25,667.81
1970	65,000	$500.00	$35,755.50	$29,796.25	$27,087.50	$25,733.13
1975	65,000	$500.00	$35,846.25	$29,871.88	$27,156.25	$25,798.44
1980	65,000	$500.00	$35,937.00	$29,947.50	$27,225.00	$25,863.75
1985	65,000	$500.00	$36,027.75	$30,023.13	$27,293.75	$25,929.06
1990	65,000	$500.00	$36,118.50	$30,098.75	$27,362.50	$25,994.38
1995	65,000	$500.00	$36,209.25	$30,174.38	$27,431.25	$26,059.69
2000	65,000	$500.00	$36,300.00	$30,250.00	$27,500.00	$26,125.00

SECTION 6 - SUPPLEMENTAL SERVICES

6.1 Business Line and Terminal Features

6.1.1 General

The features in this section are made available as part of multiple feature packages. All features are provided subject to availability; features may not be available with all classes of service. Transmission levels may not be sufficient in all cases.

6.1.2 Description of Features

A. Anonymous Call Rejection

Allows Customer to reject calls if the calling number is marked as private.

B. Call Forwarding

Call Forwarding, when activated, redirects attempted terminating calls to another Customer specified line. The Customer may have to activate and deactivate the forwarding function and specify the desired terminating telephone number during each activation procedure. Call originating ability is not affected by Call Forwarding.

The calling party is billed for the call to the called number. If the forwarded leg of the call is chargeable, the Customer with the Call Forwarding is billed for the forwarded leg of the call.

Call Forwarding (Busy) automatically reroutes an incoming call to a Customer predesignated number when the called number is busy.

Call Forwarding (Don't Answer) automatically reroutes an incoming call to a Customer predesignated number when the called number does not answer within the number of rings programmed by the Company.

Call Forwarding (Variable) allows the Customer to choose to reroute incoming calls to another specified telephone number. The Customer must activate and deactivate this feature.

C. Call Hold

Allows call to be placed on hold.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Business Line and Terminal Features, (Cont'd.)

6.1.2 Description of Features, (Cont'd.)

D. Call Transfer (for Lines)

Call Transfer allows a Customer to receive an incoming call then transfer the calling party to any other number.

E. Call Waiting

Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It will also permit the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting (CCW) allows a Call Waiting (CW) Customer to disable CW for the duration of an outgoing telephone call. CCW is activated (i.e., CW is disabled) by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.

F. Caller ID

1. Calling Number Delivery

This Caller ID feature allows a Customer to see a caller's number previewed on a display screen before the call is answered allowing a Customer to prioritize and/or screen incoming calls. Caller ID records the number, date and time of each incoming call - including calls that are not answered by the Customer. Caller ID service requires the use of specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE. The number of originating callers who have requested that their name and number be blocked will not be populated on the Customer's CPE.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Business Line and Terminal Features, (Cont'd.)

6.1.2 Description of Features, (Cont'd.)

F. Caller ID, (Cont'd.)

2. Calling Name & Number Delivery

This Caller ID feature allows a Customer to see a caller's name and number previewed on a display screen before the call is answered allowing a Customer to prioritize and/or screen incoming calls. Caller ID records the name, number, date and time of each incoming call - including calls that are not answered by the Customer. Caller ID service requires the use of specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE. The name and number of originating callers who have requested that their name and number be blocked will not be populated on the Customer's CPE.

3. Caller ID Blocking - Per Line

This feature allows the calling party to block display of its name and number on the called party's station equipment.

G. Continuous Redial

The Continuous Redial feature allows a Customer to automatically redial the last number dialed. This is accomplished by the Customer activating a code. The network periodically tests the busy/free status of the called line for up to 30 minutes until both lines are found free and then redials the call for the Customer.

The Continuous Redial feature also allows Customers, having reached a busy number, to dial a code before hanging up. The Continuous Redial feature then continues to try the busy number for up to 30 minutes until it becomes free. Once the busy line is free the call is automatically redialed and the Customer is notified of the connected call via a distinctive ring.

H. Distinctive Ringing

If the user has subscribed to additional telephone numbers (maximum of two), incoming calls may be distinguished via a unique ring.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Business Line and Terminal Features, (Cont'd.)

6.1.2 Description of Features, (Cont'd.)

I. Last Call Return

Allows the Customer to automatically place a call to the last number that called them by dialing a specific code. Once connected, the Customer will hear the ringing of this caller's line as if he/she dialed the caller directly.

J. Priority Call

Allows Customer to program a predetermined set of telephone numbers (depending on the specific switch on which the Customer is provisioned) to be identified by a special ring/call waiting tone.

K. Remote Access to Call Forwarding

Allows a Customer to access their call forwarding feature functionality from a remote location. Customers may change their forward to number from any number within the PSTN.

L. Remote Call Forwarding

Remote Call Forwarding allows a Customer the ability to purchase additional Directory Numbers and to have calls to those telephone numbers forwarded on a permanent basis to a designated telephone number.

1. Conditions

a. The telephone number to which calls are forwarded is user-defined.

b. Changes to this number are made via a service order.

c. Customers can request additional paths for Remote Call Forwarding service.

d. A flat-rated monthly recurring charge applies for each main Remote Call Forwarding Directory Number and for each additional path ordered.

e. If the telephone number from which calls are forwarded and the telephone number to which calls are forwarded is a toll call, Customers will be charged the appropriate toll charges for each call made to the originating telephone number.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Business Line and Terminal Features, (Cont'd.)

6.1.2 Description of Features, (Cont'd.)

M. Selective Call Forwarding

Selective Call Forwarding allows a Customer to specify a special list of telephone numbers. Incoming calls placed to the Customer from telephone numbers on that list will automatically be forwarded to a predefined telephone number. All other calls will be handled normally.

N. Selective Call Rejection

Selective Call Rejection enables a Customer to reject call attempts from Customer specified numbers by dialing a code and the telephone numbers of calls to be rejected. Any call attempts to the Customer from these numbers will be prevented from terminating to the Customer and will instead be connected to an announcement informing the caller that the call is not presently being accepted by the called party. A Customer may also reject future calls from the directory number of the most recent call received by dialing a code after completing the call.

O. Three-way Calling

The Three-way Calling feature allows a Customer to add a third party to an existing two-way call and form a 3-way call. The Call Hold feature allows a Customer to put any in-progress call on hold by flashing the switchhook and dialing a code. This frees the line to allow the Customer to make an outgoing call to another number. Only one call per line can be on hold at a time. The third party cannot be added to the original call.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Business Line and Terminal Features, (Cont'd.)

6.1.3 Rates and Charges

A. Recurring and Nonrecurring Charges

1. Standard Voice Service Options – Available at no additional charge on line and terminal voice services.

   Feature
   Calling Number Delivery
   Caller ID Blocking – Per Line
   Hunting (See Section 6.12)
   Blocking (See Section 6.7)

2. Deluxe Feature Package – Available at no additional charge to Customers purchasing business lines as part of a Converged Voice Service or FlexVoice℠ Service as described in Section 5. All features will be available to the Customer. The Customer will have the option to activate or deactivate any of the features per business line.

   Feature
   Three-way Calling
   Call Forwarding (Busy)
   Call Forwarding (Don't Answer)
   Call Forwarding (Variable)
   Call Waiting (not available when Hunting is selected)
   Call Transfer (for Lines)
   Calling Name & Number Delivery
   Call Hold
   Last Call Return

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.1 Business Line and Terminal Features, (Cont'd.)

6.1.3 Rates and Charges, (Cont'd.)

A. Recurring and Nonrecurring Charges, (Cont'd.)

3. Custom Feature Package – Available at $7.50/line Monthly Recurring Charge to Customers purchasing business lines as part of a Converged Voice Service or FlexVoice℠ Service as described in Section 5. The Deluxe Feature Package described above is automatically included. In addition, the Customer may select any combination of the following features.

Feature
Remote Access to Call Forwarding
Distinctive Ringing
Continuous Redial
Selective Call Forwarding
Selective Call Rejection
Priority Call
Anonymous Call Rejection

4. Remote Call Forwarding - All LATAs

Feature	Recurring Charges	Nonrecurring Charges
Remote Call Forwarding – Initial Path	$12.00	$0.00
Remote Call Forwarding – Addl Path	$12.00	$0.00

B. Connection Charges

Connection charges may apply when a Customer requests connection to one or more features. Orders requested for the same Customer account made at the same time for the same premises will be considered one request. These charges may not apply if the features are ordered at the same time as other work for the same Customer account at the same premise.

C. Trial Period

The Company may elect to offer a free or reduced rate trial of any new Custom Calling/CLASS feature(s) to prospective Customers within 90 days of the establishment of the new feature.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Digital Trunk and PRI Features

The following features may be used with the Company's integrated products with Digital Trunk and PRI. Features are available as equipment and facilities permit.

6.2.1 Calling Number Delivery

This feature allows the Customer to receive the calling party's number on its station equipment. The Customer is responsible for providing the CPE required for this feature.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service as part of an integrated product	Not Available	Not Available
With PRI Service as part of an integrated product	$0.00	$0.00

6.2.2 Calling Name and Number Delivery

Requires suitably equipped ISDN switching and terminal equipment and allows the network to pass Calling Name information (along with the calling line identification) between multiple groups within a PRI Serving Arrangement.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service as part of an integrated product	Not Available	Not Available
With PRI Service as part of an integrated product	$50.00	$0.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Digital Trunk and PRI Features, (Cont'd.)

6.2.3 Calling Name and Number Transmission

This feature allows the Customer to send the calling name and number to the called party's station equipment. The Customer can restrict transmission through the use of Caller ID Blocking Service as described in Section 6.1.2.F.

Blocked Calling Number information will be delivered to certain qualifying Customers as described in FCC Memorandum Opinion and Order, CC Docket No. 91-281, adopted January 4, 2002. Such Customers must certify to the Company their compliance with the waiver order's eligibility requirements.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service as part of an integrated product	Not Available	Not Available
With PRI Service as part of an integrated product	$0.00	$0.00

6.2.4 CARE CPN Management

Using this feature, the Company will transmit the Customer's billing telephone number to the Customer's long distance provider. Requests to transmit individual number or CPN information will be handled on an individual case basis.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service	Not Available	Not Available
With PRI Service as part of an integrated product	ICB	ICB

6.2.5 Blocking Service - See Section 6.7 for details.

6.2.6 Dialed Number Identification Service (DNIS)

ISDN PRI feature that delivers dialed number, including 8xx numbers, to Customer's PBX or other equipment.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service	Not Available	Not Available
With PRI Service Per Trunk	$5.00	$0.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Digital Trunk and PRI Features, (Cont'd.)

6.2.7 E911 CPN Management*

This feature allows a Customer to send its calling number to the E911 dispatcher or PSAP during an emergency call.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service	Not Available	Not Available
With PRI Service as part of an integrated product	ICB	ICB
With Voice T1, where technically feasible	ICB	ICB

*Included in standard configuration of Converged Voice Service and FlexVoice℠ Service.

6.2.8 Additional Trunk Groups

This feature allows the Customer to separate a facility into two or more trunk groups.

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service as part of an integrated product		
Up to 3 trunk groups	$0.00	$0.00
More than 3 trunk groups, per trunk group	$50.00	$50.00
With PRI Service as part of an integrated product		
Up to 3 trunk groups	$0.00	$0.00
More than 3 trunk groups, per trunk group	$50.00	$50.00
With Voice T1, where technically feasible		
Up to 3 trunk groups	$0.00	$0.00
More than 3 trunk groups, per trunk group	$50.00	$50.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Digital Trunk and PRI Features, (Cont'd.)

6.2.9 Additional Route Index

	Monthly Recurring Charges	Nonrecurring Charges
With Digital Trunk Service, as part of an integrated product		
Up to 3 route indexes per trunk group	$0.00	$0.00
More than 3 route indexes per trunk group, per route index	$50.00	$50.00
With PRI Service, as part of an integrated product		
Up to 3 route indexes per trunk group	$0.00	$0.00
More than 3 route indexes per trunk group, per route index	$50.00	$50.00
With Voice T1, where technically feasible		
Up to 3 route indexes per trunk group	$0.00	$0.00
More than 3 route indexes per trunk group, per route index	$50.00	$50.00

6.2.10 Redirecting Number on PRI

	Monthly Recurring Charge	Nonrecurring Charges
With Digital Trunk Service, as part of an integrated product		
Up to 3 route indexes per trunk group	$0.00	$0.00
More than 3 route indexes per trunk group, per route index	Not Available	Not Available
With PRI Service, as part of an integrated product		
Up to 3 route indexes per trunk group	$0.00	$0.00
More than 3 route indexes per trunk group, per route index	$50.00	$0.00
With Voice T1, where technically feasible		
Up to 3 route indexes per trunk group	$0.00	$0.00
More than 3 route indexes per trunk group, per route index	$50.00	$0.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.2 Digital Trunk and PRI Features, (Cont'd.)

6.2.11 Redirected Dialed Number Identification Service (RDNIS)

Allows the call record of a Customer who has redirected (i.e., forwarded) an incoming call to an alternate location to carry not only the originating calling number information, but also the calling number identification of the telephone number from which the call was forwarded.

Requires ISDN compatible equipment provided by the Customer.

	Monthly Recurring Charge	Nonrecurring Charges
With Voice T1, where technically feasible, per T1	$50.00	$0.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.3 Service and Promotional Trials

6.3.1 General

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce a present or potential Customer to a service not previously subscribed to by the Customer.

6.3.2 Regulations

A. Appropriate notification of the Trial will be made to all eligible Customers and to the Board. Appropriate notification may include direct mail, bill inserts, broadcast or print media, direct contact or other comparable means of notification.

B. During a Service Trial, the service(s) is provided automatically to all eligible Customers, except those Customers who choose not to participate. Customers will be offered the opportunity to decline the trial service both in advance and during the trial. A Customer can request that the designated service be removed at any time during the trial and not be billed a recurring charge for the period that the feature was in place. At the end of the trial, Customers that do not contact the Company to indicate they wish to retain the service will be disconnected from the service at no charge.

C. During a Promotional Trial, the service is provided to all eligible Customers who ask to participate. Customers will be notified in advance of the opportunity to receive the service in the trial for free. A Customer can request that the service be removed at any time during the trial and not be billed a recurring charge for the period that the service was in place. At the end of the trial, Customers that do not contact the Company will be disconnected from the service.

D. Customers can subscribe to any service listed as part of a Promotional Trial and not be billed the normal Connection Charge. The offering of this trial period option is limited in that a service may be tried only once per Customer, per premises.

E. The Company retains the right to limit the size and scope of a Promotional Trial.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.4 Directory Assistance Service

6.4.1 General

A Customer may obtain assistance, for a charge, in determining a telephone number within the local calling area by dialing by dialing Directory Assistance Service. A Customer may obtain directory listing information for any location within the United States by dialing 411 or 1 + (area code) + 555-1212. A Customer can also receive assistance by writing the Company with a list of names and addresses for which telephone numbers are desired. A maximum of two number requests is allowed per call.

6.4.2 Regulations

A. A Directory Assistance Charge applies for each telephone number, area code, and/or general information requested from the Directory Assistance operator except as follows:

1. Calls from coin telephones, including COCOTS.

2. Requests for telephone numbers of non-published service.

3. Requests in which the Directory Assistance operator provides an incorrect number. The Customer must inform the Company of the error in order to receive credit.

4. Requests from individuals with certified visual or physical handicaps in which the handicap prevents the use of a local directory. Individuals must be certified in accordance with the terms outlined under "Handicapped Person" in Section 1 of this Tariff, up to a maximum of 50 requests per month.

5. Calls from Hospitals.

B. The first three (3) calls each month, per service location, for requests to Directory Assistance will not be charged. Thereafter the rate per call is as listed below. There are no billing exemptions or allowances for National Directory Assistance requests.

C. Where the Customer places a call to Directory Assistance via an operator or has Directory Assistance charges billed to a calling card or a telephone number other than the originating number, charges will apply as specified in Section 6.5 below.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.4 Directory Assistance Service, (Cont'd.)

6.4.3 Directory Assistance Call Completion

The charges as shown below apply for each request made to the Directory Assistance Operator in which the operator completes the call to the desired number, and are in addition to the charge for Directory Assistance. Only local calls can be completed automatically by using Directory Assistance Call Completion. If the Customer elects to have an intraLATA toll call completed by the Local Directory Assistance operator, the Company's standard intraLATA toll per minute charges will apply.

6.4.4 Rates and Charges (Per Call)

	Per Call	
	Direct Directory Assistance	Operator Assisted Directory Assistance
Directory Assistance, per Query	$1.50	$2.71
National Directory Assistance, per Query	$1.99	$2.71
Call Completion Charge Per Call Completed	$1.50	

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.5 Local Operator Service

6.5.1 General

Local and intraLATA toll calls may be completed or billed with the live or mechanical assistance of the Company's operator center. Calls may be billed collect to the called party, to an authorized third party number, to the originating line, or to a valid authorized calling card. Local and intraLATA toll calls may be placed on a station to station basis or to a specified party (see Person to Person), or designated alternate. Usage charges for local and intraLATA operator assisted calls are those usage charges that would normally apply to the calling party's service. In addition to usage charges, an operator assistance charge applies to each call, as indicated below.

6.5.2 Rates and Charges

	Per Call
Operator Assisted Calling Card	$2.95
Customer Dialed Calling Card	$1.45
Person-to-Person	$4.88
Third Number Billed	$2.71
Collect Call	$2.71
Operator Assisted Calling	$2.95
All Other Operator Assistance	$2.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.6 Voice Mail Service

6.6.1 General

Voice Mail Service (VMS) provides the Customer with the capability to receive, send, store and retrieve voice messages over the telephone network. VMS is offered where Simplified Message Desk Interface II (SMDI II) and VMS facilities are available.

The basic component of VMS is the mailbox that provides for receipt and storage of messages. VMS is accessed via a touch-tone telephone or similar Dual Tone Multifrequency (DTMF) device and requires the input of a passcode.

VMS is comprised of tiered levels of applications in packages with one or more optional features available. The Customer must access Voice Mail through the use of other network access service provided by the Company or other telecommunications common carriers. Such access, including applicable local usage and toll charges, is the responsibility of the Voice Mail Service Customer.

6.6.2 Business VMS Offerings

Basic Mailbox - provides the Customer with Call Answering and Messaging and Busy Greeting abilities. A Basic Mailbox may receive twenty-five (25) messages in a billing period for the flat fee, messages over the allowance will be charged an additional per-message charge. Features include Delivery Options and 5 Group Lists. The VMS mailbox holds 15 messages, with a 15 day retention period, a Greeting length of 2 minutes and the ability to receive messages of 2 minutes duration. Call Forward Busy (CFB), Call Forward Don't Answer (CFDA) and Message Waiting Indicator (MWI) are included.

Enhanced Mailbox - provides the Customer with Call Answering and Messaging, Busy Greeting, Reminder and Future Delivery abilities. Features include Delivery Options, 15 Group Lists and Extended Absence Greeting. An Enhanced mailbox may receive 50 messages in a billing period for the flat fee, messages over the allowance will be charged a per message charge. The VMS mailbox holds 60 messages, with a 45 day retention period, a Greeting length of 5 minutes and the ability to receive messages of 5 minutes duration. Call Forward Busy (CFB), Call Forward Don't Answer (CFDA) and Message Waiting Indicator (MWI) are included.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.6 Voice Mail Service, (Cont'd.)

6.6.2 Business VMS Offerings, (Cont'd.)

Deluxe Mailbox - provides the Customer with Call Answering and Messaging, Busy Greeting, expanded Reminder, and Future Delivery abilities. Features include Delivery Options, 15 Group Lists, Extended Absence Greeting and Revert to Operator. A business stand-alone Deluxe Mailbox may receive 73 messages in a billing period for the flat fee, messages over the allowance will be charged an additional per message charge. The VMS mailbox allows up to 73 messages, with a 45-day retention period and a Greeting length of 5 minutes. Message may be up to 5 minutes duration per message. Call Forward Busy (CFB), Call Forward Don't Answer (CFDA) and Message Waiting Indicator (MWI) are included.

6.6.3 Other Services

Pager Notification - allows you to assign a pager number that will be called when a message is received in your mailbox. This feature is only programmable by TWTC and pager out-dial numbers are limited to 800 numbers only.

Tree – A menu option that allows incoming callers to select from a menu of pre-selected one digit options and be routed to that option.

Auto Receptionist – voice mail application frequently used as an automated versus a live receptionist who directs the caller to enter the extension number they are calling and be transferred. Most often used to direct overflow traffic coming in to the receptionist.

Sub Mailboxes – personal mailboxes grouped under a master mailbox.

Greeting Only (5 minutes) – Provides the caller with a notice/greeting only. The length of the greeting can be up to 5 minutes. The caller cannot leave a message.

Greeting Only (10 minutes) – Provides the caller with a notice/greeting only. The length of the greeting can be up to 10 minutes. The caller cannot leave a message.

"Virtual" options on the above products are also supported. These do not require the provisioning of a physical line in order to be supported. These include:
Virtual Auto Receptionist/ Auto Attendant
Virtual Basic Mailbox
Virtual Deluxe Mailbox
Virtual Enhanced Mailbox
Virtual Greeting Only (5 minutes)
Virtual Greeting Only (10 minutes)
Virtual Tree
Virtual Pager Notification

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.6 Voice Mail Service, (Cont'd.)

6.6.4 Recurring and Nonrecurring Charges

A. All LATA's where available

Service is offered on a month to month basis.

Per Individual Mailbox (up to 100 Mail Addresses):

	Monthly Recurring Charge	Nonrecurring Charge
Basic Mailbox	$6.95	$22.00
Enhanced Mailbox	$8.95	$22.00
Deluxe Mailbox	$10.95	$22.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.7 Blocking Service

6.7.1 General

Blocking service is a feature that permits Customers to restrict access from their telephone line to various discretionary services. The following options are available to business Customers. One, all or any combination may be selected.

A. Call Blocking (900, 971, 974, 976 & 700 NPA) - automatically enabled on all lines to block all calls beginning with the NPA of 900, 971, 974, 976 and 700 (i.e. 900-XXX-XXXX) from being placed. Call Blocking is automatically enabled on all Converged Voice Service and FlexVoice℠ Service lines when provisioned using off-net facilities.

B. Toll Restriction (1+ and 0+ Blocking) - provides the Customer with a method of denying access to some or all of the toll network and operator services. Toll Restriction will not block the following types of calls: 911(Emergency) and 1 + 800 (Toll Free) calls.

The following options are available with Toll Restriction. One, all, or any combination may be selected:

1. "0+" restricts access to 0+ calls through the operator (IntraLATA, InterLATA, and International).
2. "1+" restricts access to 1+ calls (IntraLATA, InterLATA, and International).
3. "IntraLATA 0+/1+" restricts access to IntraLATA 0+/1+ calls only.
4. "InterLATA 0+/1+" restricts access to InterLATA 0+/1+ calls only.
5. "01" restricts access to operator assisted international calls only.
6. "011" restricts access to international direct dialed calls only.
7. "411" restricts calls to 411 directory assistance.
8. "555" restricts calls to NXX-555-1212 directory assistance.

C. Bill Restriction - provides the Customer with a method of denying all third number billed and/or collect calls to a specific telephone number provided the transmitting operator checks the validation data base.

For Converged Voice Services and FlexVoice Service, both of the following blocking options are automatically set to deny:

1. Third Number Billed
2. Collect Call

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.7 Blocking Service, (Cont'd.)

6.7.2 Regulations

A. The Company will not be liable for any charge incurred when any long distance carrier or alternative operator service provider accepts third number billed or collect calls.

B. Blocking Service is available where equipment and facilities permit.

C. Blocking Service can only be removed pursuant to a written request by the Customer of record, or by the Customer of record providing the correct password over the telephone, or by a request made in person by such Customer. The Customer of record can provide a personal password to be used in order to change blocking options via telephone.

6.7.3 Rates and Charges

A. Pricing for Blocking Service for a business Customer with more than 200 lines will be based on the costs incurred by the Company to provide the service on an ICB Basis.

B. Recurring and Nonrecurring Charges

All LATAs

	Monthly Recurring Charge	Nonrecurring Charge
Call Blocking:	$0.00	$0.00
Toll Restriction:	$0.00	$0.00
Bill Restriction:	$0.00	$0.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings

6.8.1 General

The Company does not own or control directory publishing in the service area, but does offer Customers listings in local directories through external agreements. No liability of any nature whatsoever shall attach to the Company or to any other common carrier that furnishes any portion of the Company's service for damages arising from errors, mistakes, omissions or delays of the Company or its agents or employees in handling directory listings or listings in any directory assistance database.

The following rules apply to standard listings in lightface type in the white pages (alphabetical section) of the telephone directory and to the Directory Assistance records.

Only information necessary to identify the Customer is included in these listings. Abbreviations may be used. A listing may be rejected if it is judged to be advertising or judged to be objectionable. A name made up by adding a term such as Company, Shop, Agency, Works, etc. to the name of a commodity or service will not be accepted as a listing unless the Customer is legally doing business under that name.

A name may be repeated in the white pages only when a different address or telephone number is used.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings, (Cont'd.)

6.8.2 Composition of Listings

A. Name

1. Business Service

The following names may be included in business service listings:

a. The name of Customer or joint user.
b. The name of each business enterprise which the Customer or joint user conducts.
c. The name by which the business of a Customer or joint user is known to the public. Only one such name representing the same general line of business will be accepted.
d. The name of any person, firm or organization which the Customer or joint user is authorized to represent, or the name of an authorized representative of the Customer or joint user.
e. Alternative spelling of an individual name or alternative arrangement of a business name, provided the listing is not for advertising purposes.
f. The name of a publication issued periodically by the Customer or joint user.
g. The name of an inactive business organization in a cross-reference listing when authorized by such business or organization.
h. The name of a member of Customer's domestic establishment when business service is furnished in the Customer's residence.
i. The name of a corporation which is the parent or a subsidiary of the Customer.
j. The name of a resident of a hotel, apartment house, boarding house or club which is furnished PBX service, may be included in a residence type listing with the telephone number of the PBX service.
k. The name of the Customer to a sharing arrangement.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings, (Cont'd.)

6.8.2 Composition of Listings, (Cont'd.)

B. Designation

The purpose of a business designation is to identify the listed party and not to advertise the business. No designation of the nature of the business is included if this is sufficiently indicated by the name. Where a listed party is engaged in more than one general line of business, one additional business designation may be included in the listing when necessary to identify the listed party. When a listed party has two or more listed telephone numbers or two or more business addresses, designations indicating the branches of the organization may be included where necessary to assist the public in calling.

A designation may include a title to indicate a listed party's official position, but not the name of the firm or corporation with which the individual is connected. Individual names or titles are not shown following the name of a firm or corporation.

A term such as "renting agent" may be included in a listing indented under the name of a building, provided the agent maintains a renting office in such a building.

A designation is not ordinarily provided in a residence type listing except for residential service as permitted under the terms of this tariff. A professional designation is permitted on residence service in the case of a physician, surgeon, dentist, osteopath, chiropodist, podiatrist, optometrist, chiropractor, physiotherapist, Christian Science practitioner, veterinary surgeon, registered nurse or licensed practical nurse, provided that the same name and designation is also listed on business service of that subscriber or another Customer in the same or different directory.

The listing of service in the residence of a clergyman may include the designation "parsonage," "rectory," "parish house," or "manse," and any such listing may be indented under a listing in the name of the church.

The Company, at its own discretion, may require the Customer to provide official documentation, such as a state issued business license, to support their requested name, address and/or telephone number when the Company believes the Customer is attempting to secure preferential directory listings.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings, (Cont'd.)

6.8.2 Composition of Listings, (Cont'd.)

C. Address

Each residence or non-profit listing, may, but does not have to include the street address where the telephone service is provided. Other information, such as a building name or a locality designation, may be included to help identify the Customer.

D. Telephone Number

Each listing may include only one telephone number, except in an alternate telephone number listing where each number listed is considered a line for rate purposes.

A listing may include only the telephone number of the first line of a PBX system or incoming service group, except that a trunk not included in the incoming service group of a PBX system, or the first trunk of a separate incoming service group of a PBX system may be listed to meet special conditions where a corporation and its subsidiaries use the same PBX system.

6.8.3 Types of Listings

A. Main Listing:

1. Main Standard Listing - A Main Standard Listing includes a name, designation, address and telephone number of the Customer. It appears in the White Pages of the telephone directory and in Directory Assistance records. The designation in the listing will be provided according to the rules in paragraph 6.8.2.B above.

2. Additional Main Listing - Customers may arrange for an additional main listing. An additional main listing is a Main Standard Listing providing for a non-hunting extra-line or for the first line of each multi-line hunt group.

3. CD-ROM White Pages listing - Customers may purchase a CD-ROM version of the white pages listing.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings, (Cont'd.)

6.8.3 Types of Listings, (Cont'd.)

B. Premium Listings

1. Additional Listings

Customers may arrange for additional listings, similar to the Main Standard Listing, at the additional listing rate. Listings may include abbreviated names, names which are commonly spelled several ways, rearrangements of names and nicknames by which the Customer is commonly known. All names will be included in their proper alphabetical order. If the above additional listing does not readily identify the Customer, it shall be necessary to include a line of information stating "same as" or "see" and a reference to the name contained in the main listing at the Extra Listing Line Rate. Listings will not be accepted for the purpose of securing preferential publicity or position.

2. Extra Listing Lines

Lines of information acceptable to the Company may be arranged at the rate shown in the schedule to appear in addition to a main listing for the purpose of facilitating use of the service.

3. Alternate Call Listings

Any listed party who has made the necessary arrangements for receiving telephone calls during his or her absence may have an alternate telephone number listing or a night listing. Such listing may be furnished as an indented listing or as a sub-caption.

The telephone number in such a listing may be that of another service furnished to the same Customer, or of one of the Customer's PBX trunks not included in the incoming service group, or of a service furnished to a different Customer.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings, (Cont'd.)

6.8.3 Types of Listings, (Cont'd.)

B. Premium Listings, (Cont'd.)

4. Alternate User Listing

An Alternate User Listing may be furnished when it is necessary to refer the directory user to an alternate listing when there are joint users of the same telephone number.

5. Cross Reference Listings

A Cross Reference Listing may be furnished in the same alphabetical group with the related listing when it is necessary to refer to the directory user to another directory listing.

6. Suite Listing

A Suite Listing allows the Customer to add its office or suite number to a Main or Additional Main directory listing. A Suite Listing may not be purchased as a standalone listing.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.8 Listings, (Cont'd.)

6.8.4 Rates for Business Listings

There is a monthly recurring and a one time nonrecurring charge for premium business listings. This charge takes effect as soon as the listing is shown on the Directory Assistance Records.

There is a one-time nonrecurring charge for each request to move or change a listing. If the request is received after the directory publisher's deadline for such changes, an additional late charge will apply.

Type of Listing	Monthly Recurring Charges	Nonrecurring Charges
Main Standard Listing – Local	$0.00	$0.00
Main Standard Listing – Foreign	$5.00	$10.00
Additional Main Listings	$5.00	$10.00
CD-ROM White Pages Listing	ICB	ICB
Additional Listing	$5.00	$10.00
Extra Listing Lines	$5.00	$10.00
Alternate Call Listings	$5.00	$10.00
Alternate User Listings	$5.00	$10.00
Cross Reference Listings	$5.00	$10.00
Suite Listing	$5.00	$10.00
Move/Change Charge (per listing)	N/A	$10.00
Late Charge (per listing)	N/A	$25.00

No charge applies to a caption or subcaption except as provided.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.9 Non-Published Service

6.9.1 General

Non-Published Service means that the Customer's telephone number is not listed in the directory, nor does it appear in the Company's Directory Assistance Records.

6.9.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-published number only when the caller dials direct or verbally gives the operator the number. No exceptions will be made, even if the caller says it is an emergency.

When the Company requests an unlisted number, it is done without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-published number in the directory or disclosing it to someone. If, in error, the telephone number is published in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for Non-Published Service.

The Customer indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a Non-Published Service or the disclosing of said number to any person.

6.9.3 Rates and Charges

There is a monthly charge for each Non-Published Service.

There is a one-time nonrecurring charge for each request to move or change a listing. If the request is received after the directory publisher's deadline for such changes, an additional late charge will apply.

	Monthly Recurring Charge	Nonrecurring Charge
Non-Published Service	$5.00	$10.00
Move / Change Charge	N/A	$10.00
Late Charge	N/A	$25.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.10 Non-Listed Service

6.10.1 General

Non-Listed Service means that the Customer's telephone number is not listed in the directory, but it does appear in the Company's Directory Assistance Records.

6.10.2 Regulations

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a non-listed number.

When the Customer requests an unlisted number, it is done without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a non-listed number in the directory or disclosing it to someone. If, in error, the telephone number is listed in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for Non-Listed Service.

The Customer indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a Non-Listed Service or the disclosing of said number to any person.

6.10.3 Rates and Charges

There is a monthly charge for each Non-Listed Service.

There is a one-time nonrecurring charge for each request to move or change a listing. If the request is received after the directory publisher's deadline for such changes, an additional late charge will apply.

	Monthly Recurring Charge	Nonrecurring Charge
Non-Listed Service	$5.00	$10.00
Move / Change Charge (per listing)	N/A	$10.00
Late Charge (per listing)	N/A	$25.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.11 Recorded Announcement Service

Recorded Announcement Service consists of facilities whereby telephone users may, by calling a particular central office designation and number, obtain recorded messages. Recorded Announcement Service, including the content of the recorded message, is furnished at the provider's option. Messages may be withdrawn at any time.

Charges Applicable to Calling Parties

6.11.1 Rates and Charges

A. All LATAs

Each Completed Local Recorded Announcement Call - $0.80

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.12 Hunting

6.12.1 Series Completion Hunting (Regular and Circular)

This feature allows individual Directory Numbers (DN) to "series complete" to another DN when the original DN is busy. The Customer provides a list of the lines which will have this feature and the order in which they will hunt. Only 10 stations will be allowed in a series completion. The last DN can point to the first DN in the list to provide circular hunting.

A. Series Completion/ Regular Hunting

The hunt for an idle phone line starts with the called single phone line in a pre-arranged hunt group and ends with the last phone line in the hunt group. A busy tone is returned if the last phone line is reached without finding one that is idle.

B. Series Completion/Circular Hunting

Permits a complete hunt over all phone lines in a pre-arranged hunt group, regardless of which phone number was called. A busy tone is returned if the call circulates back to the originally called number without finding one that is idle.

6.12.2 Rates and Charges

A. All LATAs

Service	Monthly Recurring Charge	Nonrecurring Charge
Series Completion Hunting - Circular	$0.00	$0.00
Series Completion Hunting - Regular	$0.00	$0.00

6.12.3 Multi-Line Hunting

There are three types of Multi-Line Hunting (MLHG) available: Regular, Circular, and Universal Call Distribution (UCD).

A. Regular: Hunting starts with the dialed DN and ends with last member of the hunt group.

B. Circular: Hunting starts with the dialed DN and ends with the terminal prior to the called DN.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.12 Hunting, (Cont's.)

6.12.3 Multi-Line Hunting, (Cont'd.)

C. Universal Call Distribution: When the main MLHG is called, the calls are distributed to the most idle member of the hunt group. If a terminal DN is dialed, circular hunting is used.

1. All LATAs

Service	Monthly Recurring Charge	Nonrecurring Charge
Multi-Line Hunting - Circular	$0.00	$0.00
Multi-Line Hunting - Regular	$0.00	$0.00
Multi-Line Hunting - Universal Call Distribution	$0.00	$0.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.13 Emergency Reroute Service

6.13.1 Description of Service

Emergency Reroute Service allows a Customer to request the temporary forwarding of a telephone number to an alternate location number designated by the Customer. Emergency Reroute Service is for situations where the Customer requires incoming calls to be rerouted immediately, and on a temporary basis. Emergency Reroute Service is available on a limited basis for line and trunk products.

The Customer may forward up to three numbers per request. Request to forward additional numbers will be addressed on an individual case basis. An emergency reroute will remain in place for no more than 30 days from the date initiated.

The Customer is responsible for all measured or message usage or toll charges incurred in the rerouting of calls.

The Company is entitled to rely upon instructions given by telephone from a person representing himself or herself to be an authorized representative of the Customer without further verification so long as the Company has no reason to believe that such person lacks proper authority.

The Company's liability with respect to a claim or suit by a Customer, or any third party, for damages associated with Emergency Reroute Service, including, but not limited to the installation, provision, performance or non-performance of Emergency Reroute Service, shall not exceed an amount equal to the proportionate charge for Emergency Reroute Service, shall not exceed an amount equal to the proportionate charge for Emergency Reroute Service for the period during which the service was affected.

6.13.2 Rates and Charges

	Per Reroute Occurrence/Per Telephone Number
Nonrecurring Charge:	$250.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.14 Automatic Intercept Service (AIS)

6.14.1 General

Automatic Intercept Service (AIS) allows the caller to be referred, and where technically feasible, automatically connected to a subscriber's new telephone number after receiving the intercept message. This service is available to Customers that move within the Company's serving area.

6.14.2 Regulations

A. These regulations, rates and charges are in addition to the regulations, rates and charges found elsewhere in the Company's applicable tariffs.

B. AIS is available where facilities are available and conditions permit.

C. The maximum service period for AIS is three (3) months for residence and business Customers. The service may be extended for an additional period by notifying the Company at least five business days prior to expiration of the initial service period.

D. With AIS, the caller incurs normal usage charges for the call from the point of origination to the intercepted number; the AIS subscriber incurs all applicable intraLATA toll charges between the intercepted number and the new number.

E. Except with regard to the provision of AIS, the intercepted number is, in all respects, a disconnected service. Third number and collect calls cannot be billed to the intercepted number, and any Calling Card associated with the number is invalid.

F. Charges will be credited for calls completed to a wrong number, incomplete connections, or calls with unsatisfactory transmission.

G. Rates and Charges

	Monthly Recurring Charge
Initial 3 Month Service Period	$0.00
Extended Service Period	ICB

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.15 N11 Dialing Service

6.15.1 General

N11 Dialing Service is a three-digit local dialing arrangement (excluding 411 and 911) available in specified service areas for the delivery of information and referral services via voice grade facilities as required by state and federal regulators.

The local calling area for the rate center of the N11 service subscriber will be the same as the Company's local calling area for that rate center. N11 Dialing Service will be provided as equipment and facilities permit. N11 service is limited to use by agencies approved by applicable federal and/or state regulators.

N11 Dialing Service is delivered via regular exchange access lines, e.g., individual business lines, trunks, etc. Service is furnished subject to the availability of the N11 number.

Access to N11 Dialing Service is not available to the following services:

1+ Toll Services
101XXXX
Credit Card
Third-Party Billed
Collect Calls
Inmate Service

6.15.2 Limitations

Operator assisted calls to the N11 subscriber will not be completed.

The N11 subscriber may not directly or indirectly sell or transfer the N11 number to an unaffiliated entity.

All requests for N11 Dialing Service must be submitted in writing to the Commission.

In no event shall the Company be liable for any losses, damages or claims of any kind arising from the provision of N11 Dialing Service or any Customer's use of such service.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.15 N11 Dialing Service, (Cont'd.)

6.15.3 Obligations of the Subscriber

The N11 subscriber shall respond promptly to any and all complaints lodged with any regulatory authority against any service provided via the N11 number. If requested by Company, the N11 subscriber shall assist the Company in responding to complaints made to the Company concerning the subscriber's N11 service.

6.15.4 Rates and Charges

Though the use of these services is free of charge, Customers who subscribe to measured or message-rated service will incur standard local usage charges when accessing N11 Dialing Services.

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.16 Disaster Routing Service

6.16.1 Description of Service

Disaster Routing Service reroutes incoming calls to a predetermined alternate telephone number.

Disaster Routing Service reroutes incoming calls to a different location when the primary location experiences an out-of-service condition such as a result of a power outage or a wire cut that isolates the primary location from the Company.

The Customer may establish one call path or multiple call paths, with a maximum of 99 call paths per telephone number. The number of call paths determines how many simultaneous calls will be rerouted. The number of call paths selected may not exceed the number of trunks and/or channels associated with the trunk group and should be sized correctly based on the trunks and/or channels of the terminating location. Features may not work in conjunction with this service, such as Calling Name and Number Delivery.

The Customer is responsible for all measured or message usage or toll charges incurred in the rerouting of calls.

The Company's liability with respect to a claim or suit by a Customer, or any third party, for damages associated with Disaster Routing, including but not limited to the installation, provision, performance or non-performance of Disaster Routing, shall not exceed an amount equal to the proportionate charge for Disaster Routing for the period during which the service was affected.

6.16.2 Rates and Charges

	Per Trunk Group Rerouted	
	Nonrecurring Charge	Monthly Recurring Charge
1 Call Path, 12 month Term	$250.00	$50.00
1 Call Path, 24 Month Term	$200.00	$45.00
1 Call Path, 36 Month Term	$150.00	$40.00
Multiple Call Paths, 12 Month Term	$250.00	$65.00
Multiple Call Paths, 24 Month Term	$200.00	$55.00
Multiple Call Paths, 36 Month Term	$150.00	$50.00

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.17 Individual Telephone Numbers

6.17.1. Description of Service

Customers may purchase individual telephone numbers for use with Inward and Two-Way Trunks. The first telephone number per trunk group is provided at no charge.

The Company will consider requests for large quantities of numbers on an individual case basis.

6.17.2. Rates and Charges

All LATAs

Current Rate

	Monthly Recurring Charge	Nonrecurring Charge
Per Number	$0.15	$0.35

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.18 Virtual Telephone Number

6.18.1 Description

Virtual Telephone Number (VTN) service allows a Customer to obtain a telephone number from a rate center in which it has no physical location and associate it to a physical service location in a rate center other than where the telephone number is natively associated. Calls made to the VTN will traverse the PSTN and/or the Company's voice network and terminate to the Customer at the designated physical service location via the Customer's eligible voice service connection. VTNs may be assigned from the Company's Sonus supportable rate centers. The Customer must subscribe to an eligible voice service, and a minimum of one (1) local telephone number that is native to the rate center in which the service physically terminates must be assigned to the Customer. This telephone number is required for rating purposes in the event the Customer transmits a VTN on an outbound call. Calls made to the VTN will be charged to the caller and rated based upon the caller's local calling area and the normal local calling area of the VTN. Should the Customer transmit a VTN on an outbound call, the call will receive a local calling area based on the physical service location. Should the Customer transmit a VTN on a call made to 911, authorities will respond to the address of the physical service location. Unless the Customer purchases multiple trunk groups, all VTNs and ITNs will share all call paths associated with the eligible service to which calls are terminated in the order in which calls are received.

6.18.2 Rates and Charges

Rates are based upon the location where calls are physically terminated.

Monthly Recurring Charge Per Number	$0.15
Nonrecurring Charge Per Number	$0.35

SECTION 6 - SUPPLEMENTAL SERVICES, (CONT'D.)

6.19 Remote Telephone Numbers Service

6.19.1 Description

Remote Telephone Numbers (RTN) Service supports Customer remote locations by allowing a Customer to assign a telephone number from a rate center in which it has a physical location and associate it to a different physical service location in a rate center other than where the telephone number is natively associated for the purposes of centralizing its PBX. The RTN Service Customer is responsible for transporting all calls between the PBX and the remote site via its Wide Area Network (WAN), which can be provided by the Company or by another carrier. Calls made to the RTN are charged to the caller and rated based upon the caller's local calling area. Should the Customer transmit an RTN on an outbound call, the call is assigned a local calling area based on the remote site address. The remote site address is transmitted on 911 calls, see paragraph 6.20.2 below.

6.19.2 Limitations

RTNs are assigned only from suitably equipped Company switches. The RTN Service Customer must subscribe to an eligible voice service. Unless the Customer purchases multiple trunk groups, all RTNs, VTNs and ITNs share all call paths associated with the eligible service to which calls are terminated in the order in which calls are received. Should the Customer transmit an RTN on a call made to 911, authorities will respond to the remote site address as provided by the Customer at the time service is ordered unless changed in writing. The Customer is responsible for notifying the Company should the address associated with an RTN change.

6.19.3 Rates and Charges

Rates are based upon the remote site address. The Customer receives the first 100 RTNs at each remote site at no additional charge.

Monthly Recurring Charge Per Number	$0.15
Nonrecurring Charge Per Number	$0.35

SECTION 7 - SPECIAL ARRANGEMENTS

7.1 Special Construction

7.1.1 Basis for Charges

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company (including return) and may include:

A. nonrecurring charges;
B. recurring charges; and
C. termination liabilities; or
D. combinations of A., B., and C.

7.1.2 Basis for Cost Computation

The costs referred to in Section 7.1.1 preceding may include one or more of the following items to the extent they are applicable:

A. Costs to install the facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs include:

1. equipment and materials provided or used;
2. engineering, labor, and supervision;
3. transportation; and
4. rights of way and/or any required easements.

B. Cost of maintenance.

C. Depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage.

D. Administration, taxes, and uncollectible revenue on the basis of reasonable average cost for these items.

E. License preparation, processing, and related fees.

F. Tariff preparation, processing and related fees.

G. Any other identifiable costs related to the facilities provided; or

H. An amount for return and contingencies.

SECTION 7 - SPECIAL ARRANGEMENTS, (CONT'D.)

7.1 Special Construction, (Cont'd.)

7.1.3 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of a Customer.

A. The period on which the termination liability is based is the estimated service life of the facilities provided.

B. The amount of the maximum termination liability is equal to the estimated amounts (including return) for:

1. Costs to install the facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs include:

   a. equipment and materials provided or used;
   b. engineering, labor, and supervision;
   c. transportation; and
   d. rights of way and/or any required easements;

2. license preparation, processing, and related fees;

3. tariff preparation, processing and related fees;

4. cost of removal and restoration, where appropriate; and

5. any other identifiable costs related to the specially constructed or rearranged facilities.

C. The termination liability method for calculating the unpaid balance of a term obligation is obtained by multiplying the sum of the amounts determined as set forth in Section B preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in Section B preceding shall be adjusted to reflect the redetermined estimated net salvage, including any reuse of the facilities provided. This amount shall be adjusted to reflect applicable taxes.

SECTION 7 - SPECIAL ARRANGEMENTS, (CONT'D.)

7.2 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. Contracts resulting from a special request will be submitted for approval and filed with the Commission, if the rules and regulations of the Commission do require such filings and approval.

Upon notice to the Customer, the Company may change rates offered pursuant to special arrangement or individual case basis pricing if the provision of service at such rate(s) becomes economically infeasible.

7.3 Negotiated Rates and Competitive Discounts

Customized service packages at Negotiated Rates or Competitive Discounts may be furnished on a case-by-case basis in response to request by Customers of the Company for proposals or for competitive bids. All rates will be offered to the Customer in writing and on a non-discriminatory basis. Contracts resulting from a special request will be submitted for approval and filed with the Commission, if the rules and regulations of the Commission require such filings and approval. Service offered under this tariff provision will be provided to Customers pursuant to contract.

Competitive Discounts are available to Customer purchasing services with a contract period of 24 months or greater. Competitive Discounts shall not exceed 30%.

Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of this tariff. Specialized rates or charges will be made available to similarly-situated Customers on a nondiscriminatory basis. The Company will consider the following factors when establishing special pricing arrangements: (1) the LATA in which the Customer is located; (2) the horizontal and vertical distance from the central office to the Customer's premises; (3) the availability and location of the network facilities; (4) the type of service; (5) the price of the service; (6) the number of lines (circuits) being used; and (7) the length of the contract terms.

SECTION 7 - SPECIAL ARRANGEMENTS, (CONT'D.)

7.4 Special Promotions

The Company may from time to time engage in special promotional trial service offerings of limited duration (not to exceed ninety days on a per Customer basis for non-optional, recurring charges) designed to attract new Customers or to increase Customer awareness of a particular tariff offering. Requests for promotional offerings will be presented to the Commission for its review in accordance with rules and regulations established by the Commission.

tw telecom data services llc

Attachment G

Proposed Interexchange Services Tariff

TITLE PAGE

INTEREXCHANGE SERVICE TARIFF OF

tw telecom data services llc

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of Interexchange telecommunications services provided by **tw telecom data services llc,** with principal offices at 10475 Park Meadows Drive, Littleton, CO 80124, within the State of Delaware. This tariff is on file with the Delaware Public Service Commission.

Issue Date: March 21, 2014

Effective Date:

INTEREXCHANGE SERVICES TARIFF

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION		PAGE	REVISION		PAGE	REVISION	
Title	Original	*	26	Original	*	52	Original	*
1	Original	*	27	Original	*	53	Original	*
2	Original	*	28	Original	*	54	Original	*
3	Original	*	29	Original	*	55	Original	*
4	Original	*	30	Original	*	56	Original	*
5	Original	*	31	Original	*	57	Original	*
6	Original	*	32	Original	*	58	Original	*
7	Original	*	33	Original	*	59	Original	*
8	Original	*	34	Original	*	60	Original	*
9	Original	*	35	Original	*	61	Original	*
10	Original	*	36	Original	*	62	Original	*
11	Original	*	37	Original	*	63	Original	*
12	Original	*	38	Original	*	64	Original	*
13	Original	*	39	Original	*	65	Original	*
14	Original	*	40	Original	*	66	Original	*
15	Original	*	41	Original	*	67	Original	*
16	Original	*	42	Original	*			
17	Original	*	43	Original	*			
18	Original	*	44	Original	*			
19	Original	*	45	Original	*			
20	Original	*	46	Original	*			
21	Original	*	47	Original	*			
22	Original	*	48	Original	*			
23	Original	*	49	Original	*			
24	Original	*	50	Original	*			
25	Original	*	51	Original	*			

* - indicates those pages included with this filing

TABLE OF CONTENTS

		Page
CHECK SHEET		1
TABLE OF CONTENTS		2
EXPLANATION OF SYMBOLS		4
TARIFF FORMAT		5
APPLICATION OF TARIFF		6
SECTION 1 - DEFINITIONS		7
SECTION 2 - REGULATIONS		11
2.1	Undertaking of the Company	11
2.2	Prohibited Uses	21
2.3	Obligations of the Customer	22
2.4	Customer Equipment and Channels	26
2.5	Customer Deposits and Advanced Payments	28
2.6	Payment Arrangements	29
2.7	Service Level Standards and Allowances for Interruptions in Service	36
2.8	Cancellation of Service/Termination Liability	43
2.9	Customer Liability for Unauthorized Use of the Network	44
2.10	Use of Customer's Service by Others	45
2.11	Services for Hearing Impaired	46
2.12	Transfers and Assignments	46
2.13	Notices and Communications	47
2.14	Primary Interexchange Carrier (PIC) Selection	47
2.15	Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority	48
2.16	Automatic Number Identification	53

TABLE OF CONTENTS, (CONT'D.)

		Page
SECTION 3 – APPLICATION OF RATES		54
3.1	Introduction	54
3.2	Limitations of Use	54
3.3	Usage Based Charges	54
3.4	Rates Based Upon Distance	55
3.5	Maintenance Visit Charges	56
3.6	Restoration of Service	56
3.7	Move and Change of Service	57
3.8	Records Order Change	57
SECTION 4 – DESCRIPTION OF SERVICES AND RATES		58
4.1	Intrastate Long Distance Service	58
4.2	Bolt On Buckets (BOBs) Long Distance Rate Plans	62
4.3	Directory Assistance	64
4.4	Operator Services	65
SECTION 5 - SPECIAL ARRANGEMENTS		66
5.1	Individual Case Basis (ICB) Arrangements	66
5.2	Negotiated Rates and Competitive Discounts	66
5.3	Special Promotions	67

EXPLANATION OF SYMBOLS

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

(C) - To signify changed listing, rule, or condition that may affect rates or charges.

(D) - To signify discontinued material, including listing, rate, rule, or condition.

(I) - To signify an increase.

(M) - To signify material relocated from or to another part of tariff schedule with no change in text, rate, rule or condition.

(N) - To signify new material including listing, rate, rule or condition.

(R) - To signify a reduction.

(S) - To signify reissued material.

(T) - To signify change in wording of text but not change in rate, rule, or condition.

TARIFF FORMAT

1. Page Numbering - Page numbers appear in the upper right corner of the page. Pages are numbered sequentially. When a new page is added between pages already in effect, a decimal is added. For example, a new page added between pages 14 and 15 would be 14.1.

2. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th Revised Page 14 cancels the 3rd Revised Page 14. Consult the Check Page for the page currently in effect.

3. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
   2.
   2.1.
   2.1.1.
   2.1.1.A.
   2.1.1.A.1.
   2.1.1.A.1.(a).
   2.1.1.A.1.(a).I.
   2.1.1.A.1.(a).I.(i).
   2.1.1.A.1.(a).I.(i).(1).

4. Check Pages - When a tariff filing is made with the Commission, an updated Check Page accompanies the tariff filing. The Check Page lists the pages contained in the tariff, with a cross reference to the current revision number. When new pages are added, the Check Page is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remain the same, just revised revision levels on some pages.)

APPLICATION OF TARIFF

This tariff sets forth the regulations and rates applicable to services provided by **tw telecom data services llc** ("Company") as follows:

This tariff contains the regulations and rates applicable to intrastate long distance services provided by the Company.

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

Any of the Company's rates and charges may be revised, discontinued, supplemented or changed from time to time in accordance with applicable law, orders, rules and regulations of the Delaware Public Service Commission.

The Company's services are furnished subject to the availability of facilities and the terms and conditions of this tariff.

To the extent facilities are available, services offered under this tariff are provided by the Company on an on-net basis. Unless otherwise noted, prices for services offered under this tariff reflect the on-net price for such services. Where service is provided on an off-net basis, additional charges may apply.

Service is currently offered only to non-residential Customers.

This tariff is governed by the laws of the State of Delaware, without regard to its choice of law provisions.

SECTION 1 - DEFINITIONS

For the purpose of this tariff, the following definitions apply:

Access Line – An arrangement which connects the Customer's location to a Company switching center or point of presence.

Account Codes – Optional, Customer-defined digits that allow the Customer to identify the individual user, department or client associated with a call. Account Codes appear on the Customer bill.

Authorized User - A person, corporation or other entity who is authorized by the Company's Customer to utilize service provided by the Company to the Customer. The Customer is responsible for all charges incurred by an Authorized User.

Automatic Number Identification ("ANI") - A system whereby the calling party's telephone number is identified and sent forward with the call record for routing and billing purposes. E911 Service makes use of this system.

Building - A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy.

Call Termination - The point in time when the exchange network facility allocated to a specific call is released for reuse by the network.

Channel - A point-to-point bi-directional path for digital transmission. A channel may be furnished in such a manner as the Company may elect, whether by wire, fiber optics, radio or a combination thereof and whether or not by means of single physical facility or route. One 1.544 Mbps Service is equivalent to 24 channels.

Circuit - The unit of bandwidth utilization for any given speed of services.

Commission – Delaware Public Service Commission.

Company - **tw telecom data services llc**, the issuer of this tariff.

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

Customer Premises Equipment (CPE) - Equipment provided by the Customer for use with the Company's services. CPE can include a station set, facsimile machine, key system, PBX, or other communication system.

SECTION 1 – DEFINITIONS, (CONT'D.)

Dedicated Long Distance – The direct dial service over the Company's carrier's digital network via a DS1 connection between the Company's switch and the carrier's nearest hub.

Digital - A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits (bits) 0 and 1. Digital transmission/switching technologies employ a sequence of discrete, individually distinct pulses to represent information, as opposed to the continuously variable signal of analog technologies.

Exchange - An area consisting of one or more central office districts within which a call between any two points is a local call.

Exchange Service - The provision to the Customer of access to the exchange system for the purpose of sending and receiving calls. This access is achieved through the provision of a central office line (exchange access line) between the central office and the Customer's premises.

Fiber Optic Cable - A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

Hearing Impaired - Those persons with communication impairments, including those hearing impaired, deaf, deaf/blind, and speech impaired persons who have an impairment that prevents them from communicating over the telephone without the aid of a telecommunications device for the deaf.

ICB - Individual Case Basis.

Interruption - The inability to complete calls, either incoming or outgoing or both, due to Company facilities malfunction or human errors.

Joint User - A person, firm, or corporation who uses the telephone service of a Customer as provided in Section 1 of this tariff.

SECTION 1 – DEFINITIONS, (CONT'D.)

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 Calling Area - The area, consisting of one or more central office districts, within which a Customer for exchange service may make telephone calls without a toll charge.

Monthly Recurring Charges ("MRC") - The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

Network - Those telecommunication facilities operated by the Company, and excludes any telecommunication facilities that are operated by other telecommunication providers.

Nonrecurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish service.

NPA - Numbering plan area or area code.

Off-Net - A means for carrying traffic to or from the Customer's premises, where the Company leases other company's facilities to deliver traffic to Customer location. Off-Net traffic consists of all traffic that is not considered to be On-Net traffic.

On-Net - A means for carrying traffic to or from the Customer's premises, where the Company connects to the point of presence in a Customer building or on a Customer's premises using only Company-owned fiber. On-Net traffic is delivered to Customer exclusively over facilities of the Company.

PBX - Private Branch Exchange.

Point of Presence ("POP") - A location designated by the Company for the connection of Customer-provided wiring and terminal equipment to the services offered under the tariffs of the Company.

Premises - A building on contiguous property not separated by a public right-of-way. The contiguous property may be divided by the private right-of-way or easement, such as a railroad right-of-way.

SECTION 1 – DEFINITIONS, (CONT'D.)

Service Date - The date on which 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 Date is the date that the Company first provides the service in conformance with the Service Order or this tariff. The Company and Customer may mutually agree on a substitute Service Date.

Service Order - The written agreement for telecommunication and related services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Date.

Service Term – The committed service duration for a particular service as set forth in the applicable Service Order, including any renewal periods.

Special Access Origination/Termination – Where originating or terminating access between the Customer and the interexchange carrier is provided on dedicated circuits. The cost of these dedicated circuits is billed by the access provider directly to the Customer.

Switchless – Services provided to Customers that utilize another carrier's switching equipment or Access Service for the origination of interLATA toll calls.

System Equipment - Facilities and equipment installed, operated and controlled by Company to provide services to Customer.

Toll Call - Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company.

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

SECTION 2 - REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

A. The Company undertakes to furnish communications service pursuant to the terms of this tariff and/or any service order entered into between the Company and the Customer, in connection with one-way and/or two-way information transmission originating from points within the State of Delaware, and terminating within a local calling area as defined herein.

B. The Customer may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

C. The Company reserves the right to limit the manner in which any portion of its telecommunications network is used to protect the technical integrity of the network. The Company may discontinue or limit service, or impose requirements as required to meet changing regulatory requirements or when such requirements have a material adverse affect on the economic feasibility of providing service, as determined by the Company in its reasonable discretion.

2.1.2 Shortage of Equipment or Facilities

A. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

B. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

A. Service is provided on a contractual basis for a minimum period of at least one year unless otherwise specified in the service order or this tariff. For the purpose of computing charges in this tariff, a month is considered to have thirty (30) days.

B. Customers may be required to enter into a written service order 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. Except as otherwise stated in an individual customer contract or service order, upon expiration of a service term for a particular service, the service term will automatically renew for successive one year terms at the rate specified in the most recently executed contract or service order unless terminated by either party upon written notice delivered at least thirty (30) days prior to expiration of the then existing service term. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination, including, but not limited to, any fees for early termination. The rights and obligations which by their nature extend beyond the termination of the service term shall survive such termination.

D. Service may be terminated upon written notice to the Customer if:

1. the Customer is using the service in violation of this tariff; or

2. the Customer is using the service in violation of the law.

E. This tariff shall be interpreted and governed by the laws of the State of Delaware without regard for its choice of laws provision.

F. Any other company may not interfere with the right of any person or entity to obtain service directly from the Company. No person or entity shall be required to make any payment, incur any penalty, monetary or otherwise, or purchase any services in order to have the right to obtain service directly from the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions, (Cont'd.)

G. The Company hereby reserves its rights to establish service packages specific to a particular Customer. These contracts may or may not be associated with volume and/or term discounts.

H. If the Company anticipates taking any action to obtain relief under the United States Bankruptcy Code or filing an answer admitting bankruptcy or insolvency, or the Company will no longer be able to provide service, the Company will notify Customers as soon as practicable to permit Customers to obtain alternative service.

I. All prices, terms and conditions associated with the services provided under this tariff are proprietary to the Company and will not be disclosed by the Customer to any party outside of the Customer's business entity. The Customer may not use the Company's name, logo or service mark in connection with the Customer's marketing of services to end users, even where those services include services provided by the Company. The Company may use Customer's name and logo in materials presented to analysts and investors.

J. Service is furnished subject to the conditions that it will not be used; (1) to make foul or profane expressions, (2) to impersonate another person with fraudulent or malicious intent, (3) to call another person so frequently, or at such times, or in any other manner so as to annoy, abuse, threaten, or harass the other person, (4) for any other unlawful purpose, or (5) in such a manner as to interfere with the use of the service by any other user.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability

A. Customer-Provided Equipment

The service and facilities furnished by the Company are subject to the following limitations: the Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the facilities of the Company caused by Customer-provided equipment or premises wire.

B. Use of Facilities of Other Companies

When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees. This includes the provision of a signaling system database by another company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

C. Liability of the Company

The liability of the Company, or any other common carrier or other service provider that furnishes any portion of the Company's services, for damages arising from errors, mistakes, omissions, interruptions, or delays of the Company, or its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing regulated or nonregulated service or facilities (including the obtaining or furnishing of information in respect thereof or with respect to the Customers of the service or facilities) will not exceed an amount equal to the monthly recurring charge (calculated on a proportionate basis) for the affected service during the period which such error, mistake, omission, interruption or delay occurs. The Company is not liable under any circumstances for any act, omission, error, mistake, interruption or delay of any connecting carrier or other service provider or their respective agents, servants or employees; nor will the Company have any such liability for providers of connections, equipment, facilities, or services other than the Company or its agents, servants, or employees. The Company will not be liable under any circumstances for any act, omission, error, mistake, interruption or delay of any person or entity owning telecommunications facilities used by the Customer or who furnishes facilities or services connected with or provided in conjunction with the Company's service;

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.4 Limitations on Liability, (Cont'd.)

C. Liability of the Company, (Cont'd.)

or for the culpable conduct of the Customer, its agents, servants, employees, invitees, or guests, or failures of equipment, facilities or connections provided by the Customer. The Company is not liable for interruptions, errors, delays, or defects in transmission when caused by strike or other labor problems, power fluctuations, surges or failures, national emergencies, insurrections, acts of God, war, fire, flood, adverse weather conditions, explosion, vandalism, acts of terrorism, riots, government authorities, cable cut, ordinances, laws, rules, regulations or restrictions, condemnation or exercise of rights of eminent domain, or other causes beyond the Company's control. The Company will not be liable at any time or under any circumstance for indirect, consequential, special, incidental, reliance, special, punitive or consequential damages (including, without limitation, harm to business, lost revenues, lost savings, lost opportunity, harm to business or loss of profits) in connection with services rendered to the Customer under this tariff.

D. Approval of the above tariff language by the Commission does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld by a court of law. Approval by the Commission merely recognizes that since it is the court's responsibility to adjudicate negligence and consequential damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause(s).

2.1.5 Notification of Service-Affecting Activities

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

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities

A. The Company shall use reasonable efforts to maintain only the facilities and equipment installed, operated and controlled by Company to provide services to Customer ("system equipment"). The Customer may not disconnect, remove, attempt to repair, or otherwise interfere with any of the system equipment, nor may the Customer permit others to do so, except upon the written consent of the Company. The Customer is responsible for any damage or loss to system equipment arising out of the negligent or willful acts or omissions of the Customer or the Customer's employees, agents or authorized users.

B. The Company may substitute, change or rearrange any system equipment at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer.

C. System equipment located at the Customer's premises for use in connection with the services shall not be used for any purpose other than that for which the equipment is provided.

D. Except as otherwise indicated, Customer-provided station equipment must comply, on a continuing basis, with the technical specifications established by the Company.

E. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

1. the through transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission; or

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

3. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.6 Provision of Equipment and Facilities, (Cont'd.)

F. In the event the Company, in responding to a Customer initiated service call, determines that the cause of such service call is a failure, malfunction or inadequacy of Customer-provided equipment, the Customer must compensate the Company for such service call at the rates listed in the Company's local exchange tariff, Delaware Tariff No. 1, Section 2.7.6.

G. The Customer is responsible for usage charges, damages and loss resulting from the unauthorized or fraudulent use by the Customer, its agents, employees or third parties, of the services provided hereunder if such charges, damages or loss results from the failure, malfunction, inadequacy or failure to properly secure Customer-provided equipment.

H. The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

I. The Customer agrees to operate Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to Section 2.1.6.J. below.

J. The Customer agrees to return to the Company all Company provided equipment delivered to Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.7 Special Construction

Subject to the agreement of the Company and to the terms contained in this tariff, special construction of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. Special construction is construction undertaken:

A. where facilities are not presently available, and there is no other requirement for the facilities so constructed;

B. of a type other than that which the Company would normally utilize in the furnishing of its services;

C. over a route other than that which the Company would normally utilize in the furnishing of its services;

D. in a quantity greater than that which the Company would normally construct;

E. on an expedited basis;

F. on a temporary basis until permanent facilities are available;

G. involving abnormal costs; or

H. in advance of its normal construction.

SECTION 2 – REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.8 Ownership of Facilities

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

2.1.9 Governmental Authorizations

The provision of services is subject to and contingent upon the Company obtaining and retaining such approvals, consents, governmental authorizations, licenses, and permits as may be required or be deemed necessary by the Company. The Company shall use reasonable efforts to obtain and keep in effect all such approvals, consents, authorizations, licenses and permits that may be required to be obtained by it. The Company shall be entitled to take and shall have no liability whatsoever, for any action necessary to bring the services into conformance with any rules, regulations, orders, decisions, or directives imposed by the Federal Communications Commission, the Commission, or any other applicable agency, and the Customer shall fully cooperate in and take such actions as may be requested to comply with any such rules, regulations, orders, decisions or directives.

SECTION 2 – REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company shall require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file an addendum with the Company specifying additional terms and conditions and confirming that their use of the Company's offerings complies with relevant laws and the Commission's regulations, policies, orders, and decisions.

2.2.3 The Company may block any signals being transmitted over its network by Customers which cause interference to the Company or other users. The Customer shall be relieved of all obligations to make payments for charges relating to any blocked service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.

2.2.4 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. 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 communications services and the other entity meets the Company's credit criteria or makes a deposit as required by Section 2.5.2. Such a transfer will be treated as a disconnection of existing service and installation of new service, and nonrecurring installation charges as stated in this tariff will apply.

2.2.5 The Customer must provide sufficient information regarding the intended use of the service to allow the Company to furnish and maintain the requested service and to ensure that the use of the service complies with all tariff regulations. The services furnished herein shall not be used for any purpose or in any manner directly or indirectly in violation of this tariff, the law or in aid of any unlawful act or undertaking.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer

2.3.1 General

The Customer shall be responsible for:

A. the payment of all applicable charges pursuant to this tariff and/or the contract by which the Customer takes service;

B. damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;

C. providing at no charge, as specified from time to time by the Company, any equipment, space and power the Company may deem necessary at the Customer's premises in order to properly provide service, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;

D. obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide telecommunications services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 2.3.1.C. Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by the Customer, or may be charged by the Company to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.1 General, (Cont'd.)

E. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which the Company's employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain the Company's facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (i.e., friable asbestos) prior to any construction or installation work;

F. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of the Company's facilities and equipment in any Customer's premises or the rights-of-way for which Customer is responsible under Section 2.3.1.D; and granting or obtaining permission for the Company's agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;

G. not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities; and

H. granting reasonable access to Company's facilities and equipment for maintenance purposes.

I. The Customer is responsible for, upon termination of service as provided for any reason, all amounts due from the Customer to the Company, including, but not limited to, charges for services rendered and termination liability as provided in this tariff, shall become immediately due and payable by the Customer.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer

A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, directors, employees, agents, invitees or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.

B. Indemnification by the Customer

The Customer and any authorized or joint users, jointly and severally shall indemnify, defend and hold the Company harmless against claims, loss, damage, expense (including attorneys' fees and court costs) for (i) libel, slander, or infringement of copyright or unauthorized use of any trademark, tradename or service mark arising from the material transmitted over its facilities; (ii) infringement of patents arising from combining with, or using in connection with, facilities of the Company, equipment and systems of the Customer; (iii) all claims of any kind by Customer's end users; and (iv) all other claims including, without limitation, claims for damage to any business or property or injury to, or death of, any person arising out of any act or omission of the Customer in connection with facilities provided by the Company or the Customer. In the event any such infringing use is enjoined, the Customer, authorized user or joint user at its option and expense, shall obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish any claim of infringement, or terminate the claimed infringing use or modify such infringement. The Customer and any authorized or joint users, jointly and severally shall also indemnify, defend and hold the Company harmless against: all claims, demands, losses or liabilities, including, but not limited to, fees and expenses of counsel, arising out of, occasioned by, or in connection with, any act or omission of the Customer or of any person utilizing the Customer's codes, services, equipment, or facilities, with or without the consent or knowledge of the Customer. Service is furnished subject to the conditions that it will not be used: (1) to make foul or profane expressions, (2) to impersonate another person with fraudulent or malicious intent, (3) to call another person so frequently, or at such times, or in any other manner so as to annoy, abuse, threaten, or harass the other person, (4) for any other unlawful purpose, or (5) in such a manner as to interfere with the use of the service by any other user.

SECTION 2 – REGULATIONS, (CONT'D.)

2.3 Obligations of the Customer, (Cont'd.)

2.3.2 Liability of the Customer, (Cont'd.)

C. Customer-Provided Equipment - The service and facilities furnished by the Company are subject to the following limitations: the Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the facilities of the Company caused by Customer-provided equipment or premises wire. The Company shall have no obligation to install, maintain, repair or operate Customer-provided equipment. In the event that the Company, in responding to a Customer-initiated service call, determines that the cause of such service call is a failure, malfunction or inadequacy of Customer-provided equipment, the Customer must compensate the Company for such service call at the prevailing rate.

D. Use of Facilities of Other Companies - When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees. This includes the provision of a signaling system database by another company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels

2.4.1 General

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

2.4.2 Station Equipment

A. Terminal equipment on the user's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the user. The user is responsible for the provision of wiring or cable to connect its terminal equipment to the Company point of presence.

B. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities comply, on a continuing basis with technical specifications established by the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Inspections

A. Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.B for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment. The Customer shall provide the Company with access for such inspections.

B. If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

C. If harm to the Company's network, personnel or services is imminent, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

SECTION 2 – REGULATIONS, (CONT'D.)

2.5 Customer Deposits and Advance Payments

2.5.1 Advance Payments

To safeguard its interests, the Company may require a non-residential Customer to make an advance payment before services and facilities are furnished or where special construction is involved. The advance payment will not exceed an amount equal to the nonrecurring charge(s) and one (1) month's charges for the service or facilities including estimated usage. In addition, the advance payment may also include an amount equal to the estimated nonrecurring charges for the special construction and related 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. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

2.5.2 Deposits

A. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge or if Customer has failed to timely pay for service(s) on two occasions during any six month period. 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 two (2) month's charges for tariffed services plus estimated usage. The Company retains the right to assess additional cash deposit amounts should the Customer's billing history prove to be greater than originally estimated. Should a Customer fail to pay the additional amount, service could be terminated at the discretion of the Company.

B. A deposit may be required in addition to an advance payment.

C. Upon discontinuance of service, the Company, within forty-five (45) days, shall refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.

D. Deposits held will accrue interest at the rate specified by the Commission.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements

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.

A. Taxes, Fees and Surcharges

"Tax" or "taxes" means any federal, state or local excise, gross receipts, value added, sales, use or other similar tax, fee, tax-like fee or surcharge of whatever nature and however designated, imposed or sought to be imposed, on or with respect to purchases by the Customer or for the Company's use of public streets or rights of way, which the Company is required or permitted by law or tariff to collect from Customer; provided, however, that the term "tax" will not include any tax on the Company's corporate existence, status, income, corporate property or payroll taxes.

The Company shall bill any and all applicable taxes, surcharges and fees, including, but not limited to: Federal Excise Tax; state sales tax; municipal taxes; gross receipts taxes; and any taxes, surcharges, fees, charges or other payments contractual or otherwise, for the use of public streets or rights-of-way, whether designated as franchise fees or otherwise. As permitted by law, the Company will recover from its Customers any such charges assessed directly against the Company. Such taxes or fees will be itemized separately on the Customer's invoice or billing detail. If the Customer fails to pay any taxes properly billed, Customer will be solely responsible for payment of the taxes, and penalty and interest.

If either the Customer or the Company is audited by a taxing or other governmental authority, the other party will cooperate reasonably by responding to the audit inquiries in a proper, complete and timely manner. The Company will cooperate, at the Customer's expense, with reasonable requests of Customer in connection with any tax contest or refund claim. Customer will ensure that no lien is attached to or allowed to remain on any asset of the Company as a result of any tax contest. The Customer will indemnify and hold the Company harmless against any liabilities, damages, losses, costs or expenses arising out of such tax proceedings, including without limitation any additional taxes, interest, penalties and attorney's fees.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.1 Payment for Service, (Cont'd.)

A. Taxes, Fees and Surcharges, (Cont'd.)

If the Customer claims an exemption for any taxes, the Customer must provide the Company with a proper tax exemption certificate as authorized by the appropriate taxing authority. The Customer must pay the applicable taxes to the Company until it provides a valid exemption certificate. If applicable law exempts a service from a tax, but does not also provide an exemption procedure, the Company will not collect such tax if the Customer provides a letter signed by one of its officers; (i) claiming a right to the exemption; (ii) identifying the applicable law that allows such exemption and does not require an exemption certificate; and (iii) agreeing to indemnify and hold the Company harmless from any tax, interest, penalties, loss, cost or expense asserted against the Company as a result of its not collecting the taxes from the Customer.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

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. The Company shall present invoices for nonrecurring and recurring charges monthly to the Customer, in advance of the month in which service is provided. When billing is based upon Customer usage, usage charges will be billed monthly for the preceding billing period.

B. The Company reserves the right to deny a request for additional services or restoration of services unless and until the Customer's account is in current status.

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 pro rata basis. For this purpose, every month is considered to have thirty (30) days.

D. Billing of the Customer by the Company will begin on the service date. The service date will not be delayed or postponed due to problems with Customer's equipment or Customer's lack of readiness to accept or use the service. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

E. All invoiced charges shall be due and payable on the due date printed on the invoice ("due date"), which is one day prior to the date of the next monthly invoice. 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. A late payment charge of the lesser of 1.5% per month or the or the maximum rate permitted by law, for bills not paid by the due date, is not applicable to subsequent rebilling of any amount to which a late payment charge has already been applied.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.2 Billing and Collection of Charges, (Cont'd.)

F. Objections to billed charges must be reported to the Company within 120 calendar days of the date of the invoice associated with the disputed charges, or the invoice shall be deemed correct and all rights to dispute such charges are waived. Claims must include all supporting documentation and may be submitted online at http://customers.twtelecom.com/disputes/ or by telephone at 1-800-829-0420. The Company shall make adjustments to the Customer's invoice to the extent that circumstances exist which reasonably indicate that such changes are appropriate. Withheld disputed amounts determined in favor of the Company must be paid by Customer within five (5) business days following written, electronic or telephonic notice of the resolution and will bear interest at the lesser of 1.5% per month or the maximum rate allowed by law from the due date until the date paid.

If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Commission in accordance with the Commission's rules of procedure.

G. If service is discontinued by the Company (in accordance with Section 2.6.3 following) and later re-installed, re-installation of service will be subject to all applicable installation charges. If service is suspended by the Company (in accordance with Section 2.6.3 following) and later restored, restoration of service will be subject to the rates in this tariff.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.3 Discontinuance of Service

A. Discontinuance of Service for Cause

Company may, without further notice, discontinue or suspend services for cause in the event of any of the following:

1. The Customer fails to pay any amounts due herein by the due date and fails to cure by paying the associated outstanding balance in full within ten (10) days following written notice by Company;

2. The Customer's breach of any of the other terms or conditions for furnishing service and fails to cure within ten (10) days following written notice by Company;

3. Customer's insolvency, bankruptcy assignment for the benefit of creditors, appointment of trustee or receiver or similar event;

4. Customer's illegal or fraudulent use of the Company's network;

5. The Customer is responsible for providing adequate access lines to enable the Company to terminate all toll free (i.e., 800/888) service calls to the Customer's telephone equipment. Should the Customer have insufficient access lines on which to terminate toll free service calls, the Company reserves the right to request the Customer to add additional lines for call terminations. If, after ninety (90) days, the Customer has not made the requested change, the Company, without incurring any liability, reserves the right to terminate the Customer's toll free service, with thirty (30) days written notice.

6. Upon the Company's discontinuance of service to the Customer under Section 2.6.3, 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 service term for which such services would have otherwise been provided to the Customer to be immediately due and payable.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.3 Discontinuance of Service, (Cont'd.)

B. Discontinuance of Service Without Cause

The Company may discontinue or suspend services without cause in the event of any of the following:

1. Upon any governmental prohibition or governmental required alteration of the services, the Company may immediately discontinue service without incurring any liability.

2. 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.

3. The Customer is responsible for paying for all charges incurred up to and including the date services are disconnected by the Company.

2.6.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide the Company with not less than thirty (30) days prior written notice of desire to terminate service. All requests by the Customer for disconnection of on-net services will be processed by Company in thirty (30) days or less, and for disconnection of long haul, off-net services in forty-five (45) days or less, following delivery of the written notice. The Customer must pay for services until such disconnection actually occurs.

SECTION 2 – REGULATIONS, (CONT'D.)

2.6 Payment Arrangements, (Cont'd.)

2.6.5 Changes in Service Requested

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

2.6.6 Returned Item Charge

A charge of $25.00, or the current allowable amount, will be assessed for any check or other form or payment returned by the drawee bank or other financial institution for insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or financial institution. This charge will be assessed in addition to any charges assessed by the drawee bank or any other financial institution.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service

2.7.1 Service Level Standards

The Company offers the following service level standards for voice services:

Criterion	Definition	Standard
Availability	The time the Company's network is available for processing a telephone call.	99.99% or Greater
Dial Tone Delay	The specific time between Customer's going off-hook and the receipt of dial tone from the service telephone central office	2.0 seconds maximum
Post Dial Delay	The time from when the last digit is dialed to the moment the phone rings at the receiving location	2.0 seconds maximum
Noise	Unwanted electrical signals introduced into the telephone lines by circuit component or natural disturbances which tend to degrade the performance of the line.	17 dBrnC maximum

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.1 Service Level Standards, (Cont'd.)

Criterion	Definition	Standard
Signal Loss	The diminishment of the signal level strength resulting in decay and quality of the call and signaling	3 dB maximum
Minimum Loop Current	Minimum level of current between the originating and terminating locations of a call required to support accurate signaling on the call.	23 Milliamps (mA)
Grade of Service (Vendor Network)	The probability that an attempted call will receive a busy signal, expressed as a decimal fraction. This factor is applicable only to the Company's network and not to any portions of the underlying network provided by another telephone service carrier.	P.01 or better
Change of Resp Org	The transition of management and administration of a Customer's 8XX telephone number records in the 8XX Service Management System. This standard is applicable when a Customer transfers 8XX telephone number service from one carrier to another.	10 days maximum

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.2 General

A. A credit allowance will be given when service is interrupted, except as specified in Section 2.7.3 following. A service is interrupted when it becomes inoperative to the Customer, i.e., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.

B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

C. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, or refuses access to its premises for test and repair by the Company, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.

D. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

E. If two trouble tickets have been opened for a particular service in a thirty (30) day period, and the cause of outage is determined to be in the Company's network or system equipment, such service will be deemed a chronic trouble service. If a third trouble ticket is opened on a chronic trouble service within thirty (30) days of the second trouble ticket, and the cause of outage is determined to be in the Company's network or system equipment, the Customer may disconnect the affected service without incurring termination liability provided that Customer supplies the Company with a written termination notice no later than thirty days following the third service outage.

F. The issuance of credits and Customer's chronic trouble service termination rights pursuant to this section shall be the Customer's sole and exclusive remedy for service interruption claims.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.3 Limitations of Allowances

Credits issued during any calendar month will not exceed the monthly recurring charge associated with the affected service that experienced the service outage(s). No credit allowance will be made for any interruption in service:

A. Due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;

B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;

C. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;

D. When service is not be deemed to be interrupted because the Customer continues to voluntarily make use of the service. If the service is interrupted, the Customer can get a service credit, use another means of communications provided by the Company (pursuant to Section 2.7.4), or utilize another service provider;

E. 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;

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.3 Limitations of Allowances, (Cont'd.)

F. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and

G. That was not reported to the Company within thirty (30) days of the date that service was affected.

H. Due to Force Majeure: Such causes shall include, without limitation, acts of God, fire, flood, adverse weather conditions, explosion, vandalism, acts of terrorism, cable cut, storm or other similar occurrence, any law, order, ordinance, rule, restriction, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, condemnation or exercise of rights of eminent domain, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with the Commission's Rules and Regulations.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.4 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2.7.5 Application of Credits for Interruptions in Service

A. Trouble Reporting

If the Customer encounters a problem with any service after the service date, the Customer must obtain a trouble ticket by calling 1-800-829-0420. The Company will issue a credit for service interruptions as described in Section 2.7.2, if applicable, in accordance with this tariff. The duration of the problem is determined solely by the date and time the trouble ticket was opened and subsequently closed out as a resolved issue. Credits will not be issued unless a trouble ticket exists for the circuit in question.

B. Calculation of Credit Allowance

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

C. Calculation of Credit for Service Interruption

Upon the Customer's request, the Company shall credit the Customer's invoice for service interruptions of five minutes or more. Credit allowance will be calculated as a percentage of the monthly recurring charge for the affected service(s) as follows:

Length of Interruption	Credit Allowance
More than 5 minutes up to 4 hours	5%
More than 4 hours up to 8 hours	10%
More than 8 hours up to 12 hours	15%
More than 12 hours up to 16 hours	20%
More than 16 hours up to 24 hours	35%
More than 24 hours	See below

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.5 Application of Credits for Interruptions in Service, (Cont'd.)

C. Calculation of Credit for Service Interruption, (Cont'd.)

Over 24 Hours. When service is interrupted for a period of at least 24 hours, the Company, after due notice by the Customer, shall apply the following schedule of allowances except in situations as provided for in Section C:

1. One-thirtieth (1/30th) of the tariffed monthly rate of services and facilities furnished by the Company rendered inoperative, useless or impaired for each of the first three full 24-hour periods during which the interruption continues after notice by the Customer to the Company conditioned that the out-of-service extends beyond a minimum of 24 hours.

2. Two-thirtieths (2/30ths) of each full 24-hour period beyond the first three 24-hour periods. However in no instance may the allowance for the out-of-service period exceed the total charges in a billing period for the service and facilities furnished by the public utility rendered useless or impaired.

3. When service is interrupted for a period of at least 24 hours due to such factors as storms, fires, floods or other conditions beyond the control of the Company, an allowance of 1/30 of the tariffed monthly rate for all services and facilities furnished by the Company rendered inoperative or substantially impaired to the extent of being useless shall apply for each full 24 hours during which the interruption continues after notice by the Customer to the Company.

4. The allowances set forth in 1 - 3 may not be applicable where service interrupted by the negligence or willful act of the Customer to service or where the public utility, pursuant to the terms of the contract for service, suspends or terminates service for nonpayment of charges or for unlawful or improper use of the facilities or service or for any other reason provided for in this tariff.

SECTION 2 – REGULATIONS, (CONT'D.)

2.7 Service Level Standards and Allowances for Interruptions in Service, (Cont'd.)

2.7.5 Application of Credits for Interruptions in Service, (Cont'd.)

D. Credit to Customer

Credits attributable to any billing period for interruptions of service shall not exceed the total charges for that period for the service and facilities furnished by the Company rendered useless or substantially impaired. Credit allowances must be requested from the Company within 120 days of the date of the invoice covering the outage period. Any claim not filed within this time period shall be deemed waived. Claims must include the trouble ticket number and may be submitted via the disputes process described in Section 2.6.2.F above.

2.8 Cancellation of Service/Termination Liability

If a Customer cancels a service order or terminates services before the completion of the service term for any reason other than for a service interruption (as defined in Section 2.7.2.E), the Customer shall pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.6.2.

2.8.1 Termination Liability

In the event that the Customer terminates service prior to the end of the service term, or in the event the Company terminates service for cause as specified in Section 2.6.3. above, the Customer's termination liability shall be 100% of the monthly recurring charges applicable to the service for the remainder of the service term. In the case of early termination of services which are billed on a usage basis, Customer must pay to the Company an amount equal to the average monthly usage charges billed for the terminated services during all previous months since the service was successfully installed and available for Customer's use, multiplied by the number of months remaining in the service term. The Company reserves the right to impose termination charges at a higher rate than stated hereunder if the Company incurs unusually high capital costs to provide or remove service(s) to or from the Customer's location. The Company also reserves the right to assess any documented charges from a third party that are directly associated with the Customer's request to terminate service.

SECTION 2 – REGULATIONS, (CONT'D.)

2.9 Customer Liability for Unauthorized Use of the Network

Unauthorized use of the network occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff.

With regard to usage services, the Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features. The Customer is responsible for all calls placed via their authorization code as a result of the Customer's intentional or negligent disclosure of the authorization code.

2.9.1 Customer Liability for Fraud and Unauthorized Use of the Network

A. The Customer is liable for the unauthorized use of the network obtained through the fraudulent use of the Company's toll network, including, but not limited to, the use of calling cards, if such a card is offered by the Company, or an accepted credit card, provided that the unauthorized use occurs before the Company has been notified.

B. A Company calling card is a telephone calling card issued by the Company at the Customer's request, which enables the Customer or user(s) authorized by the Customer to place calls over the network and to have the charges for such calls billed to the Customer's account.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as a renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

SECTION 2 – REGULATIONS, (CONT'D.)

2.9 Customer Liability for Unauthorized Use of the Network, (Cont'd.)

2.9.1 Customer Liability for Fraud and Unauthorized Use of the Network, (Cont'd.)

C. The Customer must give the Company written or oral notice that an unauthorized use of the Company's toll network, including, but not limited to, a Company calling card or an accepted credit card has occurred or may occur as a result of loss, and/or theft.

D. The Customer is responsible for payment of all charges for calling card services or toll services furnished to the Customer or to users authorized by the Customer to use service provided under this tariff, unless due to the negligence of the Company. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by third parties, the Customer's employees, or the public.

2.10 Use of Customer's Service by Others

2.10.1 Resale and Sharing

There are no prohibitions or limitations on the resale of services. Any service provided under this tariff may be resold to or shared with other persons at the option of Customer, subject to compliance with any applicable laws of the Commission's regulations governing such resale or sharing. The Customer remains solely responsible for all use of services ordered by it or billed to its telephone number(s) pursuant to this tariff, for determining who is authorized to use its services, and for notifying the Company of any unauthorized use.

2.10.2 Joint Use Arrangements

Joint use arrangements will be permitted for all services provided under this tariff. From each joint use arrangement, one member will be designated as the Customer responsible for the manner in which the joint use of the service will be allocated. The Company will accept orders to start, rearrange, relocate, or discontinue service only from the Customer. Without affecting the Customer's ultimate responsibility for payment of all charges for the service, each joint user shall be responsible for the payment of the charges billed to it.

SECTION 2 – REGULATIONS, (CONT'D.)

2.11 Services for Hearing Impaired

2.11.1 Residential hearing impaired Customers or hearing impaired members of a Customer's household, upon written application and upon certification of their impaired status, which is evidenced by either a certificate from a physician, health care official, or state agency, or a diploma from an accredited educational institution for the impaired, may receive a discount off their message toll service rates, and, if they utilize telebraille devices, they may receive free access to local and intrastate long distance directory assistance. Additionally, TDD lines maintained by nonprofit organizations and governmental agencies, upon written application and verification that such lines are maintained for the benefit of the impaired may receive a discount off their message toll service rates.

2.11.2 Upon receipt of the appropriate application, and certification or verification, the following discounts off basic message toll service shall be made available for the benefit of the hearing impaired: the evening discount off the intrastate, interexchange, customer-dialed, station to station calls originating 8:00 a.m. to 4:59 p.m. Monday through Friday; the night/weekend discount off the intrastate, interexchange, customer-dialed, station to station calls originating 5:00 p.m. to 10:59 p.m. Sunday through Friday, and New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

2.12 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties:

2.12.1 to any subsidiary, parent company or affiliate of the Company; or

2.12.2 pursuant to any sale or transfer of substantially all the assets of the Company; or

2.12.3 pursuant to any financing, merger or reorganization of the Company.

SECTION 2 – REGULATIONS, (CONT'D.)

2.13 Notices and Communications

2.13.1 The Customer shall designate on the service order an address to which the Company shall mail or deliver all notices and other communications, except that the Customer may also designate a separate address to which the Company's bills for service shall be mailed.

2.13.2 The Company shall designate on the service order an address to which the Customer shall mail or deliver all notices and other communications, except that the Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill, and if the Customer is disconnecting services for any reason, it must deliver notice to the Company either by facsimile to 303-803-9638 or by email to "CustomerCare@twtelecom.com". Notice by facsimile or email is deemed given when delivered.

2.13.3 Any notice and similar communication concerning services provided under this tariff shall be in writing, and shall be either (i) delivered in person, or (ii) sent by certified mail, return receipt requested, or (iii) sent by facsimile electronically confirmed and followed up immediately by regular mail. Notices shall be sent to the parties' respective addresses as they appear on the service order or as designated by either party pursuant to this section. A notice is deemed given when delivered.

2.13.4 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

SECTION 2 – REGULATIONS, (CONT'D.)

2.14 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority

2.14.1 General

A. The Telecommunications Service Priority (TSP) Program is a federal program used to identify and prioritize telecommunications services that support national security or emergency preparedness (NS/EP) missions.

NS/EP services are defined as those telecommunications services which are used to maintain a state of readiness or respond to and manage any event or crisis which causes or could cause injury or harm to the population, damage or loss to property, or degrades or threatens the NS/EP posture of the United States.

TSP restoration and/or provisioning shall be provided in accordance with Part 64, Appendix A of the Federal Communications Commission's Rules and Regulations (47 C.F.R.), and the "Service Vendor Handbook For The Telecommunications Service Priority (TSP) Program" and the "Service User Manual for the Telecommunications Service Priority (TSP) System" (NCS Manual 3-1-1) (Service User Manual) issued and updated as necessary by the Office of Priority Telecommunications (OPT) of the National Communications System. Any changes to or reissuance of these regulations or manuals supersede tariff language contained herein.

B. The TSP program has two components, restoration and provisioning.

1. A restoration priority is applied to new or existing telecommunications services to ensure restoration before any other services during a service outage. TSP restoration priorities must be requested and assigned before a service outage occurs.

2. A provisioning priority is obtained to facilitate priority installation of new telecommunications services during a service outage. Provisioning on a priority basis becomes necessary when an end-user has an urgent requirement for a new NS/EP service that must be installed immediately or by a specific due date that can be met only by a shorter than standard or expedited Company provisioning time frame. As a matter of general practice, existing TSP services will be restored before provisioning new TSP services.

SECTION 2 – REGULATIONS, (CONT'D.)

2.14 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.14.2 TSP Request Process

A. Restoration

To request a TSP restoration priority assignment, a prospective TSP user must:

1. Determine that the user's telecommunications service supports an NS/EP function under one of the following four TSP categories.

   National Security Leadership
   National Security Posture and U.S. Population Attack Warning
   Public Health, Safety, and Maintenance of Law and Order
   Public Welfare and Maintenance of National Economic Posture

2. Identify the priority level to be requested for the telecommunications service. The priority level is determined by the end-user's TSP category and service profile. The service profile defines the user's level of support to the portion of the telecommunications service that the user owns and operates, such as customer premises equipment or wiring. The five levels of priority and seven element groups that define the service profile are contained in the Service User Manual.

3. Complete the TSP Request for Service Users form (SF 315) available on the National Communications System (NCS) website (http://tsp.ncs.gov/).

4. For non-federal users, have their TSP requests approved by a federal agency sponsor. Non-federal users should contact the OPT, at the NCS website (http://tsp.ncs.gov/), for information on identifying a sponsor for TSP requests.

5. Submit the SF 315 to the OPT.

6. Upon receipt of the TSP Authorization Code from the OPT, notify the Company, and include the TSP Authorization Code in any service order to the Company requesting restoration of NS/EP services.

2.14 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.14.2 TSP Request Process, (Cont'd.)

B. Provisioning

To request a TSP provisioning priority assignment, a prospective TSP user must follow the same steps listed in 2.14.2.A above for restoration priority assignment except for the following differences. The user should:

Certify that its telecommunications service is an emergency service. Emergency services are those that support one of the NS/EP functions listed in 2.14.2.A.1 above and are so critical that they must be provisioned at the earliest possible time, without regard to cost to the user.

Verify that the Company cannot meet the service due date without a TSP assignment.

Obtain approval from the end-user's invocation official to request a provisioning priority. Invocation officials are designated individuals with the authority to request TSP provisioning for a telecommunications service, and include the head or director of a federal agency, commander of a unified/specified military command, chief of a military service, commander of a major military command, or state governor.

2.14.3 Responsibilities of the End-User

End-users or entities acting on their behalf must perform the following:

A. Identify telecommunications services requiring priority.

B. Request, justify, and revalidate all priority level assignments. Revalidation must be completed every 2 years, and must be done before expiration of the end-user's TSP Authorization Code(s).

C. Accept TSP services by the service due dates.

SECTION 2 – REGULATIONS, (CONT'D.)

2.14 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.14.3 Responsibilities of the End-User, (Cont'd.)

D. Have Customer Premises Equipment (CPE) and Customer Premises Wiring (CPW) available by the requested service due date and ensure (through contractual means or otherwise) priority treatment for CPE and CPW necessary for end-to-end service continuity.

E. Pay the Company any authorized costs associated with priority services.

F. Report to the Company any failed or unusable services with priority levels.

G. Designate a 24-hour point of contact for each TSP request and apprise the OPT.

H. Cooperate with the OPT during reconciliation (comparison of NS/EP service information and resolution of any identified discrepancies) and revalidation.

2.14.4 Responsibilities of the Company

The Company will perform the following:

A. Provide TSP service only after receipt of a TSP authorization code.

B. Revoke TSP services at the direction of the end-user or OPT.

C. Ensure that TSP Program priorities supersede any other telecommunications priority that may be provided (other than control services and order wires).

D. Designate a 24-hour point of contact to receive reports of TSP service outages from TSP service users.

E. Designate a 24-hour point of contact to coordinate TSP processes with the OPT.

F. Confirm completion of TSP service order activity to the OPT.

G. Participate in reconciliation of TSP information at the request of the OPT.

SECTION 2 – REGULATIONS, (CONT'D.)

2.14 Emergency/Crisis/Disaster Restoration and Provisioning Telecommunications Service Priority, (Cont'd.)

2.14.4 Responsibilities of the Company, (Cont'd.)

H. Ensure that all subcontractors complete reconciliation of TSP information with the service vendor.

I. Ensure that other carriers supplying underlying facilities are provided information necessary to implement priority treatment of facilities that support NS/EP services.

J. Assist in ensuring that priority level assignments of NS/EP services are accurately identified "end-to-end" by providing to subcontractors and interconnecting carriers the restoration priority level assigned to a service.

K. Disclose content of the NS/EP TSP database only as may be required by law.

L. Comply with regulations and procedures supplemental to and consistent with guidelines issued by the OPT.

2.14.5 Preemption

When spare facilities are not available, it may be necessary for the Company to preempt the facilities required to provision or restore a TSP service. When preemption is necessary, non-TSP services may be preempted based on the Company's best judgment. If no suitable spare or non-TSP services are available, the Company may preempt an existing TSP service to restore a TSP service with a higher restoration priority assignment. When preemption is necessary, prior consent of the service user whose service will be preempted is not required; however, the Company will make every reasonable effort to notify the preempted customer of the action to be taken.

SECTION 2 – REGULATIONS, (CONT'D.)

2.15 Automatic Number Identification

2.15.1 The Company will provide Automatic Number Identification (ANI) associated with an intrastate service by tariff to any entity (ANI recipient) only under the following terms and conditions:

A. The ANI recipient or its designated billing agent may use or transmit ANI information to third parties for billing and collection, routing, screening, ensuring network performance and completion of a telephone subscriber's call or transaction, or for performing a service directly related to the telephone subscriber's original call or transaction, or for performing a service directly related to the telephone subscriber's original call or transaction.

B. The ANI recipient may offer to any telephone subscriber with whom the ANI recipient has an established Customer relationship, a product or service that is directly related to products or service previously purchased by the telephone subscriber from the ANI recipient.

C. The ANI recipient or its designated billing agent is prohibited from utilizing ANI information to establish marketing lists or to conduct outgoing marketing calls, except as permitted by the preceding paragraph, unless the ANI recipient obtains the prior written consent of the telephone subscriber permitting the use of ANI information for such purposes. The foregoing provisions notwithstanding, no ANI recipient or its designated billing agent may utilize ANI information if prohibited elsewhere by law.

2.15.2 The ANI recipient or its designated billing agent is prohibited from reselling or otherwise disclosing ANI information to any other third party for any use other than those specified above, unless the ANI recipient obtains the Customer's prior written consent to such resale or disclosure.

2.15.3 Violation of any of the foregoing terms and conditions by any ANI recipient other than a telephone corporation shall result, after a determination through the Commission's complaint process, in suspension of the transmission of ANI by the telephone corporation until such time as the Commission receives written confirmation from the ANI recipient that the violations have ceased or have been corrected. If the Commission determines that there have been three or more separate violations in a 24 month period, delivery of ANI to the offending party shall be terminated under the terms and conditions determined by the Commission.

SECTION 3 - APPLICATION OF RATES

3.1 Introduction

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

3.2 Limitations of Use

3.2.1 Distribution of Traffic

If, after execution of the service order for long distance services, it becomes evident that 40% or more of Customer's long distance traffic is terminating to geographic areas where switched access rates are 20% higher than Customer's contracted long distance rate, Customer agrees to enter into good faith negotiations with the Company to agree on a new long distance rate. In the event the Company and Customer are not able to agree upon an adjusted long distance rate, the Company reserves the right to terminate Customer's long distance services without incurring termination liability.

3.3 Usage Based Charges

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

3.3.1 Calls are measured in billing increments identified for each service. The duration of each call will be rounded off to the nearest higher increment for billing purposes. Fractional cents will be rounded to the next higher cent. The minimum charge per call is $0.01 (one cent).

3.3.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person to person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.

3.3.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.

3.3.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.

3.3.5 All times refer to local time.

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.4 Rates Based Upon Distance

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

3.4.1 Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in Local Exchange Routing Guide issued by Telcordia, 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). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated toll free service or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

3.4.2 The airline distance between any two rate centers is determined as follows:

A. Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced Telcordia document.

B. Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.

C. Square each difference obtained in step B above.

D. Add the square of the "V" difference and the square of the "H" difference obtained in step C above.

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

F. 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.

G. FORMULA

$$\sqrt{\frac{|V_1 - V_2|^2 + |H_1 - H_2|^2}{10}}$$

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.5 Maintenance Visit Charges

Maintenance visit charges apply when the Company dispatches personnel to a Customer's premises to perform work necessary for resolving troubles reported by the Customer and the trouble is found to be caused by the Customer's facilities.

Maintenance visit charges will be credited to the Customer's account in the event trouble is not found in the Company facilities, but the trouble is later determined to be in those facilities.

The time period for which the maintenance visit charges is applied will commence when Company personnel are dispatched at the Customer's premises and end when work is completed. The rates for maintenance vary by time per Customer request. Refer to the Company's local exchange tariff, Delaware Tariff No. 1, Section 2.7.6 for rates.

3.6 Restoration of Service

3.6.1 Description

A restoration charge applies to the restoration of suspended service and facilities because of nonpayment of bills and is payable at the time the restoration of the suspended service and facilities is arranged. The Company may require the Customer to pay a deposit prior to the restoration of the suspended service and facilities.

3.6.2 Rates

Restoration Charge:	$50.00

SECTION 3 - APPLICATION OF RATES, (CONT'D.)

3.7 Move and Change of Service

The Company alone may make changes in the location of its lines and equipment. When it is found that a move or change of such lines or equipment has been made by others, the connection charge for the underlying service will apply as if the Company had done the work.

The Customer will be assessed a charge for any move or change of a Company service. Moves and changes are defined as follows:

Move: A change in physical location of the Customer's premises or the point of termination at the Customer's premises. Charges equal to initial installation charge apply.

Change: A revision, redesign or other provisioning change to existing services.

Change Order Feature/Facility Change Charge	Minimum Nonrecurring Charge, each $50.00

3.8 Records Order Change

3.8.1 A records order change is a request for a change that impacts only the records of a Customer's service and not any physical change to the service.

3.8.2 Rates

Records Order Change Charge	$20.00

SECTION 4 – DESCRIPTION OF SERVICES AND RATES

4.1 Intrastate Long Distance Service

4.1.1 Description

Intrastate long distance service is available to Customers who subscribe to the Company's local exchange service at a minimum of one location. The intrastate long distance service Customer may select the Company for both intraLATA and interLATA calling, or for interLATA-only calling.

A qualified Customer may also subscribe to intrastate long distance service at other service locations not served by the Company's local exchange service through either the local exchange service provided by another local exchange company ("switchless") or through a dedicated long distance facility. If the Customer discontinues their Company-provided local exchange services such that the only remaining service is the switchless location or dedicated long distance facility, the Company reserves the right to discontinue the switchless and/or dedicated long distance facility service after thirty (30) days advance notice to the Customer.

Optional toll free service is offered to Customers at both Company-provided and switchless locations.

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.1 Intrastate Long Distance Service, (Cont'd.)

4.1.2 Timing of Calls

Each intrastate long distance service call is billed in six (6) second increments after an initial minimum call duration of six (6) seconds. Partial increments are rounded up to the next full increment on a per call basis. Fractional cents will be rounded to the next higher cent. The minimum charge per call is $0.01 (one cent).

4.1.3 Special Access

When the Customer uses a dedicated trunk group for intrastate long distance service that is not combined with local services provided by the Company, additional charges apply for the special access facility as listed below.

4.1.4 Account Codes

Account codes are available to intrastate long distance service Customers at rates listed below. Rates vary based on whether the Customer location is served by Company-provided local service.

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.1 Intrastate Long Distance Service, (Cont'd.)

4.1.5 Rates and Charges

A. Rates Applicable to Locations Served with Company-Provided Local Service

	Outbound 1+	Toll-Free 8XX
Rate Per Minute	$0.030	$0.040

B. Rates Applicable to Locations not Served with Company-Provided Local Service

Rate Per Minute Outbound or Toll Free	$0.09

C. Rates Applicable to All Locations for Calling Card Services

Rate Per Minute	$0.100

D. Special Access Facility

Per Facility	Digital Signal	PRI Signal
Monthly Recurring Charge	$275.00	$425.00
Nonrecurring Charge	$500.00	$500.00
Move/Change/Restore Charge	$50.00	$50.00

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.1 Intrastate Long Distance Service, (Cont'd.)

4.1.5 Rates and Charges, (Cont'd.)

E. Account Codes

1. Rates Applicable to Locations Served with Company-Provided Local Service

	Per Group of 100
Monthly Recurring Charge	$5.00
Nonrecurring Charge	$25.00
Move/Change/Restore Charge	$25.00

2. Rates Applicable to Locations Not Served with Company-Provided Local Service

	Per Group of 100
Monthly Recurring Charge	$40.00
Nonrecurring Charge	$40.00
Move/Change/Restore Charge	$40.00

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.2 Bolt on Buckets (BOBs) Long Distance Rate Plans

4.2.1 Description

BOBs Long Distance Rate Plans are offered to new and renewing Customers of the Company's bundled packages of business line, trunk and ISDN services that include an initial toll usage allowance. The terms, conditions and rates for those services can be found in the local exchange tariffs. This plan is restricted to Customers who have selected the Company as their long distance toll provider of IntraLATA and InterLATA toll or InterLATA toll.

BOBs long distance service applies both to inbound calls (i.e., calls originated via normal shared use facilities and terminated via the Customer's local exchange service access line) and outbound calls (i.e., calls originated by a Customer presubscribed to the Company's long distance service where the Customer dials 1+ the area code and number desired in order to complete the call). BOBs minutes are limited to domestic toll usage and exclude international, local, calling card and switchless traffic.

In order to be eligible for this product, the monthly long distance traffic must be at least 40% interstate. Customer understands and accepts that if for three consecutive months the intraLATA / intrastate minutes of use ("MOU") make up more than 60% of the overall monthly traffic, the Company has the right to remove the BOBs rate plan and change the rate per minute to the intrastate long distance service rates.

BOBs calls are billed in six (6) second increments with a minimum initial billing period of six (6) seconds. Partial increments are rounded up to the next full increment on a per call basis. Fractional cents will be rounded to the next higher cent. The minimum charge per call is $0.01 (one cent).

The Customer may select BOBs of either 1000, 3000 or 5000 minute bundles for a flat monthly fee based on total estimated usage tiers. The Company reserves the right to reassign the usage tier for the Customer failing to meet usage tiers estimated volumes. The Customer may select any combination of bucket bundles. Usage beyond the minutes of use included in the bucket bundle will be billed at the BOB additional minute rate.

Unused minutes may not be credited or carried over to the next month.

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.2 Bolt on Buckets (BOBs) Long Distance Rate Plans

4.2.2 Rates and Charges

BOBs	Monthly Recurring Charge	Rate per Add'l 1+ Intrastate Minute	Rate per Add'l 8XX Toll Free Minute
1000	$21.00	$0.030	$0.040
3000	$63.00	$0.030	$0.040
5000	$105.00	$0.030	$0.040

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.3 Directory Assistance

4.3.1 Description

Directory assistance is a service which provides the Customers with access to telephone number information. The Customer will incur a directory assistance charge regardless of whether the requested telephone number is listed in the Company's database. A Customer may obtain assistance, for a charge, in determining a number outside the local calling area by dialing National Directory Assistance. A Customer can also receive assistance by writing the Company with a list of names and addresses for which telephone numbers are desired.

For an additional charge, the Directory Assistance operator can complete the call to the desired number. If the Customer elects to have an intraLATA toll call completed by the Local Directory Assistance operator, the Company's standard intraLATA toll per minute charges will apply.

4.3.2 Billing Increments

All directory assistance calls are billed on a per call basis.

4.3.3 Rates

	Direct	Operator Assisted
Directory Assistance, Per Query	$1.50	$2.71
National Directory Assistance, Per Query	$1.99	$2.71
Call Completion, Per Call Completed	$1.50	

4.3.4 Toll Free Directory Assistance Listing

A directory assistance listing charge applies to all 800/888 numbers requesting toll free directory assistance listing.

	Monthly Recurring Charge
Toll Free Directory Assistance Listing (each 800/888 number)	$10.00

SECTION 4 – DESCRIPTION OF SERVICES AND RATES, (CONT'D.)

4.4 Operator Services

4.4.1 General

Toll calls may be completed or billed with the live or mechanical assistance of the Company's operator center. Calls may be billed collect to the called party, to an authorized third party number, to the originating line, or to a valid authorized calling card. Toll calls may be placed on a station to station basis or to a specified party (see Person to Person), or designated alternate. Usage charges for interLATA operator assisted calls are those usage charges that would normally apply to the calling party's service. Usage charges for intraLATA operator assisted calls are listed below. In addition to usage charges, an operator assistance charge applies to each call, as indicated below.

4.4.2 Rates and Charges

	Per Call
Operator Assisted Calling Card	$2.71
Customer Dialed Calling Card	$1.45
Person-to-Person	$4.88
Third Number Billed	$2.71
Collect Call	$2.71
Operator Assisted Calling	$2.95
All Other Operator Assistance	$2.00

	Per Minute
IntraLATA Toll Usage, Per Minute	$0.04
InterLATA Toll Usage, Per Minute	Per Applicable Plan

SECTION 5- SPECIAL ARRANGEMENTS

5.1 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. Contracts resulting from a special request will be submitted for approval and filed with the Department, if the rules and regulations of the Department do require such filings and approval.

Upon notice to the Customer, the Company may change rates offered pursuant to special arrangement or individual case basis pricing if the provision of service at such rate(s) becomes economically infeasible.

5.2 Negotiated Rates and Competitive Discounts

Customized service packages at negotiated rates or competitive discounts may be furnished on a case-by-case basis in response to request by Customers of the Company for proposals or for competitive bids. All rates will be offered to the Customer in writing and on a non-discriminatory basis. Contracts resulting from a special request will be submitted for approval and filed with the Department, if the rules and regulations of the Department require such filings and approval. Service offered under this tariff provision will be provided to Customers pursuant to contract.

Competitive discounts are available to Customer purchasing services with a contract period of 24 months or greater. Competitive discounts shall not exceed 30%.

Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of this tariff. Specialized rates or charges will be made available to similarly-situated Customers on a nondiscriminatory basis. The Company will consider the following factors when establishing special pricing arrangements: (1) the LATA in which the Customer is located; (2) the horizontal and vertical distance from the central office to the Customer's premises; (3) the availability and location of the network facilities; (4) the type of service; (5) the price of the service; (6) the number of lines (circuits) being used; and (7) the length of the contract terms.

SECTION 5 - SPECIAL ARRANGEMENTS, (CONT'D.)

5.3 Special Promotions

The Company may from time to time engage in special promotional trial service offerings of limited duration (not to exceed ninety days on a per Customer basis for non-optional, recurring charges) designed to attract new Customers or to increase Customer awareness of a particular tariff offering. Requests for promotional offerings will be presented to the Commission for its review in accordance with rules and regulations established by the Commission.

tw telecom data services llc

Attachment H

Toll Dialing Parity Plan

tw telecom data services llc

IntraLATA Presubscription Implementation Plan

Dialing Parity Plan

1. PURPOSE

The purpose of this Dialing Parity Plan ("Plan") is to permit customers to route intraLATA calls automatically, without the use of access codes, to an interexchange carrier ("IXC") of the customer's choice. The IXC chosen by customers must establish itself as an access customer under any applicable tariff that **tw telecom data services llc** ("Company") will file prior to launching service in Delaware. This Plan applies to services which may be made available at a future date using the Company's access facilities. If the Company provides local dial tone service(s) by reselling facilities obtained from Incumbent Local Exchange Carrier(s) ("ILECs"), (a) the Company will implement dialing parity wherever it is made available by the ILEC from whom the Company purchases local dial tone service for resale, and (b) elements of this Plan pertaining to exchange access service orders will not apply.

II. IMPLEMENTATION

The Company will notify affected intraLATA IXCs approximately sixty to ninety days prior to the date that the Company expects to begin providing local service in Delaware and advise that a Presubscription Information Package will be provided upon request. The Presubscription Information Package will explain how exchange access service(s) can be obtained and will include the following:

End Office names(s)
End Office Location Common Language Location Identification ("CLLI")
Equipment type
NPA/NXX(s)
LATA
Implementation Date

Carriers will have the options of offering intraLATA service only or intraLATA and interLATA service and participating in all market area or in a specific market area in Delaware.

III. CARRIER SELECTION

When the Company offers facilities-based switched access local dial tone service(s), it will implement a full 2-PIC carrier selection methodology. As stated in Paragraph I above, if the Company provides local dial tone services by reselling facilities obtained from ILECs, it will rely on the ILECs facilities to provide the full 2-PIC capability. With the full 2-PIC methodology, customers will be able to presubscribe to the same or different participating telecommunications carrier(s) for intra and interLATA toll calls. IntraLATA presubscription will be provided on all eligible residence and business lines.[2]

Prior to offering local switched access dial tone services, the Company will establish processes to provide customers with an opportunity to choose their intra and interLATA toll carrier(s) Company contact representatives who communicate with the public, accept orders, and serve in customer service capacities will be trained to explain to customers the availability of 2-PIC equal access, and assist in implementing their initial PIC choice or in changing their PIC for intraLATA and interLATA toll calls. The Company will process intraLATA PIC selections in the same manner and in the same time intervals that apply to interLATA PICs.

2 An example of a customer who would not be eligible for intraLATA presubscription is someone who has a Feature Group A access line.

IV. A CUSTOMER SELECTING A PIC

When local dial tone services are offered by the Company using switched access, customers contacting the Company and requesting local dial tone service will be informed of the opportunity to choose both an intraLATA and interLATA PIC. If requested by customers, the Company will provide a list of IXCs, including the Company, that are access customers and are maintaining a relationship with the Company pursuant to the provisions of the Company access service(s) tariff. The list of participating intra IXCs will be presented to customers in a competitively neutral manner, and IXCs will be identified to customers in random order. The Company contact representatives will not comment on customers' choices of their intraLATA toll carrier.

Company customer contact representatives will process customer initiated request(s) to have the Company established as their intraLATA PIC selection. Customers selecting an intraLATA toll carrier other than the Company will be provided with the selected carrier's toll-free number (if provided to the Company by the carrier).

If new line customers, including customers adding switched access lines (with a separate number), do not select a participating carrier, they will be assigned a No PIC. Customers who cannot decide upon an intraLATA carrier at the time of order, will have 30 days following placement of their service order to select an alternate intraLATA carrier without charge. In the interim, they will be assigned a No PIC designation. After the 30-day period, the Company will assess a PIC change charge. Customers assigned a NO PIC designation will be required to dial an access code to reach an intraLATA toll carrier's network.

The Company contact representatives will not discuss alternative carrier rates or services and will not provide customers with Carrier Identification Codes or access code dialing instructions.

V. EXISTING CUSTOMERS

The Company does not have existing customers affected by dialing parity issues.

VI. CUSTOMERS CHANGING AN INTRALATA PIC

When switched access local dial tone line services are offered by the Company, customers may contact the Company to change either their inter or intraLATA IXC. The Company customer contact representatives will process customer initiated request(s) to have the Company established as their intraLATA PIC selection. Customers selecting intraLATA toll carriers other than the Company will be provided with the selected carrier's toll-free number (if provided to the Company by the carrier).

A PIC change charge will be incurred and billed to a Company customer for each eligible line where an intraLATA PIC change is made. The Company anticipates it will offer IXCs the option of having the intraLATA PIC charge billed to the IXC or the customer.

Company contact representatives will not attempt to dissuade customers from changing their intraLATA PIC and will not discuss alternative carrier rates or services. The Company will not provide customers with Carrier Identification Codes or access code dialing instructions.

VII. PIC FREEZES

PIC freezes may be provided at any time upon customers' requests. The Company will accept the use of three-way calls among the customer, the Company and an IXC to remove intraLATA PIC freezes. The Company will still follow the verification procedures for PIC changes (*e.g.*, independent third party verification, written letter of agency, electronic authorization) as provided for by the Federal Communications Commission and Delaware Commission rules. The Company understands that carrier-to-carrier penalties for unauthorized intraLATA toll charges may not be imposed.

VIII. CARRIER OBLIGATIONS

IntraLATA carriers that desire to become Company access customers shall notify the Company via letter or telephone call of their desire to obtain exchange access service information or shall obtain and complete an Access Service Request(s) ("ASRs") form and provide the completed form to the Company and to the owner of the Access Tandem. The Company will send each requesting carrier an information package describing the Company's service, processes and applicable tariffs. Once the Company receives and processes a carrier's ASR, the carrier will be added to the list of participating carriers and, as stated above in Part IV of this Plan, will be identified at random to customers who desire to establish intra and/or interLATA PIC(s). The Company will provide notice switches available for Exchange Access Services to IXCs by identifying the switches in NECA Tariff FCC No. 4. In addition, as stated above in Part II of this Plan, the Company will include a list of available switches in its information package provided to each IXC in response to an inquiry.

To be a presubscribed intraLATA toll carrier, a carrier must have a Feature Group D (FGD) or Feature Group D-like trunk. The FGD or FGD-like trunk(s) must be in place or ordered between the carrier's point-of-presence and the incumbent Local Exchange Company Access Tandem(s). Carriers must determine what facilities they need to handle the intraLATA toll traffic and order the necessary facilities.

All originating intraLATA traffic will initially be routed via the incumbent Local Exchange Company ("LEC") Access Tandem(s). Direct trunks between Company switches and carrier location(s) may be provisioned where traffic volumes warrant.

The Company will route all originating intraLATA traffic to the designated carrier and will only block traffic at the request of the end user customer and/or in compliance with regulatory requirements. Requests from carriers to block traffic or remove customers from their network will not be honored. Calls that cannot be completed to a carrier will be routed to an announcement.

VIII. CARRIER OBLIGATIONS (Cont'd.)

Carriers will be required to submit PIC changes using the Customer Account Record Exchange ("CARE") format via paper medium. The Company will provide carriers with PIC order confirmation and reject information not using the CARE format. Upon request, specific details regarding CARE will be provided to participating carriers.

For customers who change their local service provider from the incumbent LEC to the Company and retain their incumbent LEC telephone number(s), the Company, as part of the CARE PIC process, will provide the selected intraLATA carrier with both the retained (incumbent LEC) telephone number and the Company telephone number.

IX. CALL ELIGIBILITY AND DIALING PLAN

The Company will offer intraLATA presubscription on all calls that are designated as intraLATA toll calls and that originate from Company provided local dial tone lines in Delaware.

Local dial tone line customers of the Company will have calls routed according to the following plan.

If a Company dials:	**The Call is Handled by/Routed to:**
911	PSAP on originating line number
411/555-1212	Company Directory Assistance Operator
0	Company Operator
0+ intraexchange number	IntraLATA Toll Provider
1+ 7 or 10 digits	IntraLATA Toll Provider
0+ 7 or 10 digits interexchange number	InterLATA Toll Provider
10XXX or101XXXX+ 0-	XXX/XXXX Carrier
10XXX or 101XXXX +0+7 or 10 digits	XXX/XXXX Carrier
10XXX or 101XXXX + 7 or 10 digits	XXX/XXXX Carrier

Company customers originating calls to a carrier Operator by dialing 00- will be routed to the PIC on that customer's line. Customers originating calls to a carrier Operator by dialing an access code (*e.g.*, 10XXX/101XXXX + 0 -), will be routed to the XXX/XXXX carrier. In both cases, the carrier's switch is responsible for routing this call to the carrier's Operator or to an announcement.

X. ADDITIONAL ELEMENTS OF THE PLAN

Under the Plan

If a Company customer denies requesting a change in intraLATA toll providers as submitted by an intraLATA IXC, and the intraLATA IXC is unable to produce a Letter of Agency signed by the customer, the PIC will be changed as per the customer's request and appropriate penalties will be imposed as authorized by law.

Commission authorization as a certificated intraLATA toll provider is required for a carrier to be placed on an alphabetical list of carriers that are willing to accept intraLATA toll traffic within a particular geographical area in Delaware.

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

In the Matter of the Application	)	
of **tw telecom data services llc** for a Certificate	)	
of Public Convenience and Necessity to Provide	)	PSC Docket No. 14-_____
Facilities-based and Resold Local Exchange	)	
Service and IntraLATA Interexchange Services	)	
in Delaware	)	

NOTICE OF FILING

tw telecom data services llc ("Applicant"), pursuant to the Rules and Regulations of the Delaware Public Service Commission ("Commission"), hereby submits this Notice of Filing.

Applicant has filed with the Commission an application for a certificate of public convenience and necessity to allow it to provide local and interexchange telecommunications services in Delaware ("Application"). The Application contains all the information necessary to meet the Commission requirements, including but not limited to, a description of the proposed services, proof of financial, managerial and technical ability to provide the proposed services, public interest justification and a proposed tariff. Copies of the Application are available for review at the Commission offices, 861 Silver Lake Boulevard, Cannon Building, Suite 1, Dover, Delaware 19904. A copy of the Application will be served at the request of the party receiving this Notice. Requests for copies of the Application should be made to:

Connie Wightman, Consultant
Technologies Management, Inc.
2600 Maitland Center Parkway, Suite 300
Maitland, FL 32751
Telephone: (407) 740-8575
Facsimile: (407) 740-0613

Respectfully submitted,
tw telecom data services llc

Tina Davis

Tina Davis
Senior Vice President and General Counsel

Date: 03/12/14

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of March, 2014, I caused to be served a copy of the foregoing application upon the following, by first class mail, postage prepaid, or equivalent service:

Office of Public Advocate
Carvel State Office Building
4th Floor
820 North French Street
Wilmington, DE 19801

tw telecom data services llc
10475 Park Meadows Drive
Littleton, CO 80124
Attn: Tammy Chatfield

In addition, the foregoing Notice of Filing is also served this day by first class mail on the Service List provided by the Delaware Public Service Commission.

Shipping Associate
For Technologies Management, Inc.