

INTERSTATE COMMUNICATIONS SERVICE

RULES AND REGULATIONS

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UNDERTAKING OF THE COMPANY

- A. This book provides the terms, conditions and rates for the provisioning of interstate Message Telephone Service (MTS).
- B. The Company does not undertake to transmit messages but furnishes the use of its facilities to its customers for communications.

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LIMITATIONS ON DURATION OF CONNECTIONS

The Company reserves the right to limit the duration of connection, which, becomes necessary because of a shortage of facilities caused by emergency conditions.

- A. The use and restoration of service shall be in accordance with Part 64, Subpart D, of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.
- B. Subject to compliance with the rules mentioned in (1) preceding, when a shortage of facilities exists at any time either for temporary or protracted periods, the establishment of message telecommunications service shall take precedence over all other services.

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PRIORITY OF SERVICES AND LIMITATION OF LIABILITY

- A. In view of the fact that the customer has exclusive control of its communications over the facilities furnished by the Company, and of the other uses for which facilities may be furnished by the Company, and because of unavailability of errors incident to the services and to the use of such facilities of the company, the services and facilities furnished by the Company are subject to the terms, conditions and limitations specified in B through J following.
- B. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, or the gross negligence of the Company, shall in no event exceed an amount equivalent to the proportioned charge to the customer for the period of service during which such mistake, omission, interruption, delay or error or defect in transmission, or failure or defect in facilities occurs.
- C. The customer indemnifies and saves the Company harmless against claims for libel, slander, or infringement of copyright from the material transmitted over its facilities; against claims for infringement of patents arising from combining with, or using in connection with, facilities of the Company, apparatus and systems of the customer; and against all other claims arising out of any act or omission of the customer in connection with the facilities provide by the Company.
- D. The Company shall not be liable for any act or omission of any other carrier participating in the service, nor shall the Company for its own act or omission, hold liable any other carrier participating in the provision of service.
- E. ACS-LD does not guarantee or make any warranty with respect to any equipment provided by it where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment.

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PRIORITY OF SERVICES AND LIMITATION OF LIABILITY (Cont'd)

- F. The customer indemnifies and holds ACS-LD harmless from any and all loss, claims, demands, suits or other action, or any liability whatsoever, whether suffered, made instituted or asserted by the customer or by any person or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage or destruction of any property whether directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of ACS-LD negligence.
- G. ACS-LD is not liable for any defacement of, or damage to, the premises of a customer resulting from the furnishing of channel facilities or the attachment of instruments, apparatus, and associated wiring furnished by ACS-LD on such customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of ACS-LD negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of ACS-LD.
- H. The customer is responsible for taking all necessary legal steps for interconnecting his customer-provided terminal equipment or communication systems with ACS-LD facilities. He shall secure all licenses, permits, rights-of-way, and other arrangement necessary for such interconnection.

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PRIORITY OF SERVICES AND LIMITATION OF LIABILITY (Cont'd)

- I. The customer shall insure that his equipment and/or system is properly interfaced with ACS-LD facilities, that the signals emitted into ACS-LD network are of the proper mode, bandwidth, power, data speed, and signal level for the intended use of the customer and in compliance with the criteria set forth in Section 2.13 following, and that the signals do not damage ACS-LD equipment, injure personnel or degrade service to other customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, ACS-LD will permit such equipment to be connected without the use of protective interface devices. If the customer fails to maintain and operate its equipment and/or system properly, with resulting imminent harm to ACS-LD equipment, personnel, or the quality of service to other customers, ACS-LD may, upon written notice, require the use of protective equipment at the customer's expense. If this fails to produce satisfactory quality and safety ACS-LD may, upon written notice, terminate the customer's service.
- J. The customer is responsible for payment of all charges for services furnished to the customer. Unauthorized use of the subscriber's facilities (for which customer is liable) includes, but is not limited to, the placement of calls from the subscriber's premises, and the placement of calls through subscriber-provided equipment which are transmitted or carried on the ACS-LD network.

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USE OF SERVICE

A. Resale of Message Telephone Service

- (1) Message Telephone Service is provided for use by the customer and may be resold to others, subject to applicable law.
- (2) Rules, provisions, and requirements set forth also apply to customers reselling the service.

B. Unlawful Purpose

The service is furnished subject to the condition that it will not be used for any unlawful purpose.

C. Abuse and Fraudulent Use

The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse includes using MTS in such a way that interferes unreasonably with the use of the service by others.

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OBLIGATIONS OF THE CUSTOMER

A. Identity of Calling Party

In the course of any communication, the identity of the calling party and/or the associated telephone number shall be revealed to the Company as often as may be necessary.

B. Identity of Called Party

The calling party shall be solely responsible for establishing the identity of the person or persons with whom connection is made at the called station or stations.

C. Ownership and Brokering of 800 Numbers

It shall be a violation of this book and an abuse if the customer seeks to acquire or does acquire any 800 number provided by the Company for the primary purpose of selling, brokering, bartering or releasing for a fee or other consideration to another party that 800 number.

PAYMENT ARRANGEMENTS

A. Establishment of Credit

The Company is not obligated to furnish telephone service to an individual or firm that owes for services (residential or business) previously rendered at the same or different address, until arrangements have been made to liquidate such previous telephone indebtedness to the Company.

(1) New Applicants

- (a) Applicants for service who have had no previous account with the Company may establish credit by supplying credit references acceptable to the Company. When the credit references are acceptable, no deposit may be required.
- (b) Applicants who are unable to furnish acceptable credit references may be required to make an advance payment or deposit.

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PAYMENT ARRANGEMENTS (Cont'd)

A. Establishment of Credit

(2) Re-Establishment of Credit

- (a) A customer who fails to pay a bill for service may be required to pay said bill and to re-establish credit by making a deposit.
- (b) The Company may require an existing customer to make a deposit or increase a deposit if increased usage warrants such action or if the customer's payment record is unsatisfactory.

The fact that a deposit has been made shall in no way relieve the applicant or customer from complying with the Company's requirements as to the prompt payment of bills on presentation nor constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company for service rendered. The Company may discontinue service to any customer failing to pay bills without regard to the fact that such customer has made a deposit with the Company to secure payment of such bills or has furnished the Company with the guarantee in writing of such bills.

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PAYMENT ARRANGEMENTS (Cont'd)

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B. Deposit

The Company may, in order to safeguard its interests, require an applicant or customer to make a deposit to be held by the Company as a guarantee of the payment of charges. Such deposit will be the equivalent of up to two months estimated charges for the service provided. At such time as the service is terminated, the amount of the deposit is credited to the customer's account and any credit balance which may remain is refunded within sixty (60) days after discontinuance. At the option of the Company, such a deposit may be refunded or credited to the customer at any time prior to the termination of service. In no event will the Company retain a customer's deposit longer than two years, providing that in the interim the Company has not been forced to disconnect that customer's service for reasons of delinquency in payment of charges, and that the customer has not been delinquent in payment more than once in any 12 consecutive months. Interest on customer deposits in excess of \$100 for recurring monthly service will be paid at the legal rate; alternatively, if the deposit is placed in an interest bearing account, the Company will pay the interest bearing account rate.

C. Rendition of Bills

- (1) Regular bills will be due if they are not paid within 30 days from the invoice date.
- (2) Monthly recurring charges and non-recurring charges for message toll services are billed to the customer monthly in arrears. Monthly recurring charges and non-recurring charges for Private Line services are billed to the customer in advance. When, in its opinion, the Company feels that excessive or unusual use of long distance service is occurring, it may demand immediate payment for such service and/or require the customer to increase existing deposits, post a surety bond, or terminate the service.

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PAYMENT ARRANGEMENTS (Cont'd)

D. Payment for Service

The Customer is responsible for payment of all charges for services furnished the customer, including charges for services originated or charges accepted at the customer's station, local, state and federal taxes. This includes payment for a Message Telecommunication Services (MTS) call or service.

- (1) Originated at the customer's number(s)
- (2) Accepted at the customer's number(s) (e.g., collect calls)
- (3) Billed to the customer's number via third number billing if the customer is found to be responsible for such calls or service
- (4) Use of a calling card, or the use of a Company assigned special billing number, and
- (5) Charges incurred at the specific request of the customer

E. Disputed Bills

In the event of a dispute involving a customer's bill, the customer's service shall not be disconnected for non-payment of that portion of the bill under dispute pending an investigation by the Company. If the Company determines, following such an investigation, that service has been provided the customer pursuant to the Company, the Company has provided the customer with available substantiating information and the dispute remains unresolved, the Company may then disconnect the service. If the dispute is not resolved to the customer's satisfaction, the Company will notify the Commission and will provide the customer with the telephone number and address of the Commission. Upon the Commission's request, telephone service will not be suspended or disconnected because of an amount involved in a complaint which is before the Commission.

F. Returned Checks

When a customer's payment check is returned to the Company by the bank on whose account the check was written, a charge will be assessed the customer for costs incurred by the Company. The Company will attempt to make personal contact with the customer by telephone.

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PAYMENT ARRANGEMENTS (Cont'd)

G. Finance Charge

A finance charge will be applied to all unpaid amounts carried forward to the second consecutive month's statement.

H. Denial of Service

- (1) Right to Deny Service - The right to deny service for cause, as contained in this book, may be exercised whenever and as often as the cause occurs. Neither delay or omission on the part of the Company in enforcing this rule at any time will constitute a waiver of the Company's right to enforce this rule at another time as long as legitimate cause exists to deny service.
- (2) Temporary Disconnect - Service which has been denied in accordance with the above rules and regulations will be classified by the Company as a temporary disconnect.

2.7 CHANGE IN SERVICE ARRANGEMENT

When a change in service arrangement involves the continued use by the customer of channels furnished by ACS-LD, installation charges do not apply to the channels continued in use. The minimum service provided for the channels continued in use is determined from the date of the initial acceptance thereof.

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RESTORATION OF SERVICES

- A. When service has been denied in accordance with these rules and regulations and is temporarily disconnected, it may be restored when the cause of the denial has been corrected.
- B. Service Restoration Time Frame
- When the cause of the denial has been corrected after service has been temporarily disconnected, the service will be restored no later than 24 hours after the Company has confirmed that the cause of the denial has been corrected excepting weekends and designated Company holidays.
- C. When service has been denied or is about to be denied for the reasons listed below, it can be corrected as follows:
- (1) Non-payment of Delinquent Balance - All outstanding charges -- delinquent or billed -- must be paid in full or satisfactory arrangements must be made with the Company to pay the charges.
 - (2) Failure to Establish Credit - Applications forms must be completed and signed by the customer and any required deposit must be paid.
 - (3) Violation of Other Sections - The customer must comply with all requirements of the Company's written notice of violation.
 - (4) Extenuating Circumstances - Requirements necessary to correct denial of service based on extenuating circumstances will be determined by a Company Supervisor. The customer must comply with those requirements.

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INSPECTION

ACS-LD may, upon reasonable notice, make such tests and inspections as may be necessary to determine the requirements of this book are being complied within the installation, operation or maintenance of the customer or ACS-LD equipment. ACS-LD may interrupt the service at any time, without penalty to ACS-LD, because of a departure from any of these requirements.

CANCELLATION FOR CAUSE BY ACS-LD

A. Non-payment - Denial and Restoration of Service

Monthly bills shall be considered past due if they are not paid within thirty (30) days of rendering. If payment is not received within forty-five (45) days from the initial bill rendering, a written notice, bringing the matter to the attention of the customer, will be sent to the customer by the Company. If payment is not received within sixty (60) days from the initial bill rendering, the customer may be disconnected.

A Non-Sufficient Funds check is considered evidence of non-payment.

The cutoff dates are illustrated as follows:

- (1) A customer receives a bill with an invoiced dated June 10.
- (2) The customer receives another bill dated July 10. At this point, the June 10 bill is 30 days past due.
- (3) The customer receives a written disconnect notice dated July 25.
- (4) The customer may be disconnected on August 10, if payment is not received.

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CANCELLATION FOR CAUSE BY ACS-LD (Cont'd)

B. Customer Abuse or Fraudulent Use

The Company may, by at least 5 days' written notice to the customer, without incurring any liability, forthwith deny or disconnect service because of customer abuse or fraudulent use of service. In case of emergency where the public interest requires immediate action or pursuant to governmental requirements, service may be disconnected without notice. Abuse or fraudulent use of service includes, without specific limitation, the following:

- (1) The use of service or facilities of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of the charge applicable for service;
- (2) The obtaining, attempting to obtain, or assisting another to obtain or attempt to obtain, telephone service by rearranging, tampering with, or making connecting with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any fraudulent means whatsoever, with intent to avoid the payment in whole or in part, of the regular charge for such service;
- (3) The use of service or facilities of the Company for a call or calls, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or harass another;
- (4) The use of profane or obscene language;
- (5) The use of service or facilities of the Company in such a manner as to interfere unreasonably with the use of the service by one or more other customers;
- (6) The excessive increase in volume as determined by the Company; and
- (7) The impersonation of another with fraudulent intent.

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TESTING AND ADJUSTING

Upon reasonable notice, the channels provided by ACS-LD shall be made available to ACS-LD for such tests and adjustments as may be necessary to maintain them in satisfactory condition; no interruption allowance will be granted for the time during which such tests and adjustments are made.

2.12 TERMINAL EQUIPMENT

- A. Terminal equipment, such as teleprinters, handsets or data sets at then premises of the customer and connecting local channels between such premises and the ACS-LD terminals, shall be furnished by and maintained at the expense of the customer, except as otherwise provided.
- B. The characteristics of equipment at either end of the channel shall be such that its connection to the channel complies with the minimum protection criteria set forth below of other participating carriers, and does not interfere with services furnished to their customers. Additional protective equipment, where required, shall be at the customer's expense.
- C. Where there is connection via customer-provided terminal equipment or communication system to a Message Telecommunications Service or a Wide Area Telephone Service (WATS) service to prevent the interruption or disconnection of a call, or interference with network control signaling, it is necessary that the signal applied by the customer-provided equipment to the interface at no time have energy solely in the 2,450 to 2,750 Hertz band. If signal power is in the 2,450 to 2,750 Hertz band, it must not exceed the power present at the same time in the 800 to 2,450 Hertz band.

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TERMINAL EQUIPMENT (Cont'd) (D)

D. Where such customer-provided equipment or communication system applies signals having components in the frequency spectrum below 300 Hertz, excluding ringing signals, the currents and voltages (including all harmonics and spurious signals) at the interface shall not exceed the limits indicated in .341 and .344 following:

- (1) The maximum rms (root-mean-square) value, including dc and ac components, of the current per conductor will not exceed 0.35 ampere.
- (2) The magnitude of the peak of the conductor or ground voltage shall not exceed 70 volts.
- (3) The conductor voltage shall be such that the conductor to ground voltage limit in .342 preceding is not exceeded.
- (4) The total weighed rms voltage within the band from 50 Hertz to 300 Hertz shall not exceed 100 volts. The total weighted rms voltage is the square root of the sum of the products times the square of the rms voltage of the individual frequency components. The weighing factors are as indicated:
 - (a) for frequencies between 50 Hertz and 100 Hertz: a weighing factor of $f/210^4$.
 - (b) for frequencies between 100 Hertz and 300 Hertz: a weighing factor of $f^{3.3}/10^6$.

where f is the numerical value of the frequency, in Hertz, of the frequency component being weighted.

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TERMINAL EQUIPMENT (Cont'd)

- E. The customer is responsible for all costs, which may include the expenses of customer personnel, electrical power, etc. at his premises in the provision of the service described herein.

CONNECTION OF CUSTOMER-PROVIDED EQUIPMENT

A. General Provision

Customer-provided equipment may be used with the facilities furnished by the Company for message telephone service as set forth in (2) through (5) following, provided that such equipment meets the standards necessary to protect the Company's communications network against harm of a technical nature.

B. Recording of Two-Way Telephone Conversations

Telecommunications services are not represented as adapted to the recording of two-way telephone conversations. However, voice recording equipment which is directly, acoustically or inductively connected, may be connected with telecommunications services subject to the following regulations:

- (1) Recording Requirements - The voice recording equipment must be arranged so that it can be connected or disconnected (or switched on or off) at the will of the customer. In addition, one of the following conditions must apply:
- (a) All parties to the telephone conversation must give their prior consent to the recording of the conversation and the prior consent must be obtained in writing, or be part of, and obtained at the start of, the recording, or;

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CONNECTION OF CUSTOMER-PROVIDED EQUIPMENT (Cont'd)

- (b) A distinctive recorder tone, repeated at intervals of approximately fifteen seconds, is required to alert all parties when the recording equipment is in use. The distinctive recording tone can be provided as part of (1) the recording equipment, or (2) registered or protective circuitry.

When used by a Federal Communications Commission licensed broadcast station customer for recording of two-way telephone conversation solely for broadcast over the air and at least one of the following requirements are met:

- (c) The licensee informs each party to the call of its intent to broadcast the conversation, or
- (d) Each party to the call is aware of the licensee's intent to broadcast the call; or
- (e) Such awareness of the licensee's intent to broadcast the call may be reasonably imputed to the party.

(2) Exceptions

Exceptions to the foregoing are recording of calls made for patently unlawful purposes, such as bomb threats, kidnap ransom requests and obscene telephone calls. Outgoing calls made in immediate response to such calls are also excepted. Included in this exceptions are:

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CONNECTION OF CUSTOMER-PROVIDED EQUIPMENT (Cont'd)

- (a) Recordings made by the United States Secret Service of the Department of the Treasury for recording of two-way telephone conversations which concern the safety and security of the person of the President of the United States, members of the immediate family, or the White House and its grounds.
- (b) When recordings are made of incoming calls to the telephone numbers publicized for emergencies involving health or safety of life and property (e.g., emergency situations involving fire, health care, police, public utilities and emergency road service) and outgoing calls made in immediate response to such calls. Included in these exceptions are:
 - Recordings made at the United States Department of Defense Command Centers of emergency communications transmitted over the Department of the Defense's private line system when connected to message telephone service or local exchange service, and
 - Recordings made by the United States Nuclear Regulatory Commission of the Department of Energy with respect to the telephone systems located at its Operations Center for recording of two-way telephone conversations.

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CONNECTION OF CUSTOMER-PROVIDED EQUIPMENT (Cont'd)

- (c) When recording of calls are made by federal, state or local law enforcement authorities or federal intelligence acting in accordance with the law.
- (d) When used on local private lines which have no connection with local exchange or message television services.
- (3) Customer-provided voice recording equipment may not be connected with services of the Company for the recording of two-way telephone conversation by means of acoustic or inductive connection except when used as specified in (1) through 2(d) preceding.

C. Data or Facsimile Transmitting and Receiving Equipment

Customer-provided data transmitting and/or receiving equipment including facsimile or telephotograph equipment may be used in connection with message telephone service through a data set provided by the customer or by a local exchange company. Use of such service is available on a two-point basis.

D. Responsibility of Customer

When message telephone service is furnished by the company for use in connection with customer-provided equipment, the operational characteristics of such equipment shall be such as not to interfere with any of the services offered by the Company.

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CONNECTION OF CUSTOMER-PROVIDED EQUIPMENT (Cont'd)

D. Responsibility of Customer (Cont'd)

Such use is subject to the further provisions that the customer-provided equipment does not endanger the safety of the Company's employees or the public; damage, require change in or alteration of, the equipment or other facilities of the Company; interfere with the proper functioning of such equipment or facilities; impair the operation of the telephone system or otherwise injure the public in its use of the Company's services.

Upon notice from the Company that the customer-provided equipment is causing or is likely to cause such hazard to interference, the customer shall make such changes as shall be necessary to remove or prevent such hazard or interference.

E. Responsibility of the Company

The Company shall not be responsible for the installation, operation or maintenance of the customer-provided equipment. When such equipment is connected to Company facilities, the responsibility of the Company shall be limited to the furnishing of facilities suitable for message telephone service and to the maintenance and operation of such facilities in a manner proper for such telephone service; subject to this responsibility. The Company shall not be responsible for (a) the transmission of signals generated by the customer-provided equipment or for the quality of, or defects in, such transmission, or (b) the reception of signals by customer-provided equipment.

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CONNECTION OF CUSTOMER-PROVIDED EQUIPMENT (Cont'd)

E. Responsibility of the Company (Continued)

- (2) The Company shall not be responsible if changes in any of the facilities, operations or procedures of the Company render any customer-provided equipment obsolete or require modification or alteration of such equipment or otherwise affect its use or performance.

SPECIAL CUSTOMER ARRANGEMENTS

In cases where a customer requests special arrangements which may include engineering, installation, construction, facilities, assembly, purchase or lease of facilities, and/or other special services not offered, ACS-LD, at its option, will provide the requested services. Appropriate recurring and/or non-recurring charges will be developed accordingly.

Each Specialized Arrangement (SCA) is an individually negotiated contract offering tailored to meet the telecommunications needs of the customer for whom the offering was designed. Each SCA contains a service, or combination of services, and includes supplemental terms and conditions, including, without limitation, prices, waivers and alternative pricing structures based upon volume, term utilization and the commitments, not otherwise provided for in these basic terms and conditions. An SCA may address one or more of the following customer needs related to the provision and receipt of telecommunications service(s) under the terms and conditions of service; special provisioning flexibility; special network monitoring and special outage credit provisions. An SCA may also address, or be responsive to, special competitive conditions that exist at the time an SCA is agreed to between the Company and a customer. Unless otherwise specifically provided for herein, each SCA is available to all similarly situated customers for a period of six (6) months following the effective date of the tariff provision reflecting the SCA or the SCA contract date of the initial customer for whom the SCA was designed, whichever comes first, and each SCA will be provided pursuant to identical or substantially similar terms and conditions.

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