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**SECTION 2 - REGULATIONS****2.1 Undertaking of the Company**

The Company provides long distance message telecommunications service to customers for their direct transmission of voice, data and other types of telecommunications.

Communications originate when the customer accesses the Company directly or through the facilities of another carrier via one or more access lines, equal access or on a dial-up basis. The Company may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Company's network. The customer shall be responsible for all charges due for such service arrangements.

The Company's services are provided on a monthly basis, unless otherwise stated in this tariff. Services are available twenty-four (24) hours per day, seven (7) days per week.

**2.2 Limitations on Service**

- 2.2.1** Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.2.2** The Company reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.
- 2.2.3** To the extent that any conflict arises between the terms and conditions of a service agreement or other contract and the terms and conditions of this tariff, the tariff shall prevail.
- 2.2.4** Title to all equipment provided by the Company under this tariff remains with the Company.
- 2.2.5** The customer may not transfer or assign the use of service provided under this tariff except with the prior written consent of the Company. Such transfer or assignment shall only apply where there is no interruption in the use or location of the service, and all regulations and conditions contained in this tariff, as well as all conditions for service, shall apply to all such permitted assignees or transferees.

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**SECTION 2 - REGULATIONS (continued)****2.2 Limitations on Service (continued)**

**2.2.6** Customer may request Carrier to assign one or more sub-accounts for billing purposes, and to direct sub-account invoices to customer's affiliates or other designated entities for payment. Such requests shall not affect the liability of the customer, who shall remain solely liable to the Company for payment of all invoices for service requested and obtained by customer, whether invoiced by the Company to the customer, the customer's affiliates, or other designated entities.

**2.3 Use of Service**

Service may not be used for any unlawful purposes or for any purpose for which any payment or other compensation is received by the customer, except where the customer is a duly authorized and regulated common carrier.

**2.4 Limitation of Liability**

**2.4.1** In view of the fact that the customer has exclusive control of its communications over the facilities furnished by the Company, and other uses for which facilities may be furnished by the Company, and because of the 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 regulations and limitations specified herein.

**2.4.2** The Company's failure to provide or maintain facilities under this tariff shall be excused by labor difficulties, governmental orders, civil commotions, acts of God and other circumstances beyond the Company's reasonable control, subject to the interruption allowance provisions under this tariff.

**2.4.3** Defacement of premises - No liability shall attach to the Company by reason of any defacement or damage to the customer's premises resulting from the existence of the Company's equipment or facilities on such premises, or by the installation or removal thereof, when such defacement or damage is not the result of the negligence of the Company or its employees.

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**SECTION 2 - REGULATIONS (continued)****2.4 Limitations of Liability (continued)**

- 2.4.4** Indemnification - The Company's liability, if any, for its gross negligence or willful misconduct is not limited by this tariff. With respect to any other claim or suit by a customer or by any others, the customer indemnifies and saves harmless the Company against claims, losses or suits for injury to or death of any person, or damage to any property which arises from the use, placement or presence of the Company's equipment, facilities and associated wiring of the customer's premises and further the customer indemnifies and saves harmless the Company against claims for libel, slander, invasion of privacy or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities of the Company or the use thereof by the customer; against claims for infringement of patents arising from combining with or using in connection with, facilities furnished by the Company and apparatus, equipment and systems provided by the customer; and against all other claims arising out of any act or omission of the customer in connection with the services or facilities provided by the Company. No agents or employees of other carriers shall be deemed to be agents or employees of the Company.
- 2.4.5** The Company's liability, if any, for its gross negligence or willful misconduct is not limited by this tariff. With respect to any other claim or suit, by a customer or any others, for damages arising out of mistakes, omissions, interruptions, delays or errors, or defects in transmission occurring in the course of furnishing service hereunder, the Company's liability, if any, shall not exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistake, omission, interruption, delay, error, or defect in transmission or service occurs and continues. This liability shall be in addition to any amounts that may otherwise be due to the customer under this tariff as an allowance for interruptions. However, any such mistakes, omission, interruptions, delays, errors, or defects in transmission or service which are caused or contributed to by the negligence or willful act of the customer, or authorized user, or joint user, or which arise from the use of customer provided facilities or equipment shall not result in the imposition of any liability whatsoever upon the Company.
- 2.4.6** The Company shall not be liable for any damages, including usage charges, that the customer may incur as a result of the unauthorized use of authorization codes or communications equipment. The unauthorized use of communications equipment includes, but is not limited to, the placement of calls from the customer's premises, and the placement of calls through equipment controlled and/or provided by the customer, that are transmitted over the Company's network without the authorization of the customer. The customer shall be fully liable for all such usage charges.

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**SECTION 2 - REGULATIONS (continued)****2.5 Interruption of Service**

- 2.5.1** If a customer's service is interrupted other than by the negligence or willful act of the customer, and it remains out of order for eight normal working hours or longer after access to the premises is made available and after being reported to be out of order, appropriate adjustments or refunds shall be made to the customer. The amount of adjustment or refund shall be determined on the basis of the known period of interruption; generally beginning from the time the service interruption is first reported. The refund to the customer shall be a pro rata part of the monthly recurring charges (but not for per minute or per call charges) for the period of days and that portion of the service facilities rendered useless or inoperative. The refund may be accomplished by a credit on a subsequent bill for the service.
- 2.5.2** A credit allowance for interruptions of service which are not due to the Company's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the customer to notify the carrier of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to the carrier terminal.

**2.6 Restoration of Service**

The use and restoration of service in emergencies shall be in accordance with the Part 64, Sub-part D of the Federal Communications Commission's rules and Regulations which specifies the priority system for such activities.

**2.7 Customer Responsibility**

- 2.7.1** All customers assume general responsibilities in connection with the provisions and use of the Company's service. When facilities, equipment and/or communication systems provided by others are connected to the Company's facilities, the customer assumes additional responsibilities. All customers are responsible for the following:
- A.** The customer is responsible for placing orders for service, paying all charges for service rendered by the Company and complying with all of the Company's regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.

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**SECTION 2 - REGULATIONS (continued)****2.7 Customer Responsibility (continued)****2.7.1 (continued)**

- B.** When placing an order for service, the customer must provide:
  - 1. The names and addresses of the persons responsible for the payment of service charges, and
  - 2. The names, telephone numbers, and addresses of the customer contact persons.
- C.** The customer must pay the Company for the replacement or repair of the Company's equipment when the damage results from:
  - 1. The negligence or willful act of the customer or user;
  - 2. Improper use of service; and
  - 3. Any use equipment or service provided by others.
- D.** After receipt of payment for the damages, the Company will cooperate with the customer in prosecuting a claim against any third party causing damage.

**2.7.2** Upon reasonable notice, the equipment provided by the Company shall be made available 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.

**2.7.3 Deposits**

Applicants or customers whose financial condition is not acceptable to the Company or is not a matter of general knowledge, may be required to make, at any time, a cash deposit up to an amount equaling two times (2x) one (1) month's actual or estimated charges for the purpose of guaranteeing final payment for service, in accordance with the rules of the Commission. Interest on cash deposits will be payable per the deposit rules and regulations prescribed by the Commission for the period during which the deposit is held. Such deposit will be refunded or credited to the customer upon termination or after one year of prompt payment for service.

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**SECTION 2 - REGULATIONS (continued)****2.7 Customer Responsibility (continued)****2.7.4 Credit Allowance**

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in equipment owned, provided and billed for, by the Company.

- A. Credit allowances for failure of service or equipment starts when the customer notifies the Company of the failure or when the Company becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.
- B. The customer shall notify the Company of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by the customer or in wiring or equipment connected to the terminal.
- C. Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:
  - 1. Interruptions of service resulting from the Company performing routine maintenance;
  - 2. Interruptions of service for implementation of a customer order for a change in the service;
  - 3. Interruption caused by the negligence of the customer or an authorized user;
  - 4. Interruptions of service because of the failure of service or equipment due to the customer or authorized user provided facilities.

**2.7.5 Cancellation by Customer**

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels its order before the service begins, before a completion of the minimum period mutually agreed upon by the customer and the Company, a charge will be made to the customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by the Company and not fully reimbursed by installation and monthly charges. If, based on such an order, any construction has either begun or been completed, but no such services provided, the non-recoverable cost of such construction shall be borne by the customer.

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**SECTION 2 - REGULATIONS (continued)****2.7 Customer Responsibility (continued)****2.7.6 Payment and Charges for Services**

Charges for service are applied on a recurring and nonrecurring basis. Service is provided and billed on a monthly basis. Service continues to be provided until disconnection is requested by the customer in writing, or until canceled by the Company pursuant to this tariff.

**A. Payment of Charges**

Payment will be due upon receipt of the statement. A payment is considered delinquent thirty (30) days after rendition of the bill. A bill is considered rendered when deposited in the U.S. Mail for delivery to customer's last known address.

1. The customer is responsible for payment of all charges for service furnished to the customer. Charges based on actual usage during a month will be billed monthly in arrears. All fixed monthly and nonrecurring charges for services ordered will be billed monthly in advance.
2. Service may be denied or discontinued by the Company for non-payment of past due or delinquent amounts due the Company. Restoration of service will be subject to all applicable installation charges. Disconnection may not occur before thirty (30) days from invoice and the Company must give five (5) days written notice before any disconnection can occur.

**2.7.7 Application of Rates**

The rates for service are those in effect for the period that service is furnished.

**2.8 Responsibility of the Company****2.8.1 Calculation of Credit Allowance**

Under the limitations of section 2.7.4, when service is interrupted the credit allowance will be computed on the following basis.

- A. No credit shall be allowed for an interruption of less than two hours.
- B. The customer shall be credited for an interruption of two hours or major fraction thereof that the interruption continues.

**SECTION 2 - REGULATIONS (continued)**

**2.8 Responsibility of the Company (continued)**

**2.8.1 Calculation of Credit Allowance (continued)**

- C. Where there has been an outage, and a minimum usage charge applies, and the customer fails to meet the minimum usage, a credit shall be applied against that minimum. The credit shall equal 1/360th of the monthly minimum charges associated with the portion of service disabled for each period of two hours or major fraction thereof that the interruption continues.

**2.8.2 Cancellation of Credit**

Where the Company cancels a service or the provision of equipment and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day the service was rendered or the equipment was provided. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

**2.8.3 Disconnection of Service by the Company**

Upon five (5) days written notice, the Company may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- A. Non-payment of any sum due to the Company for service for more than thirty days beyond the date of rendition of the bill for such service;
- B. Violation of any regulation governing the service under this tariff;
- C. Violation of any law, rule, or regulation of an government authority having jurisdiction over the service; or
- D. The Company is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
- E. Customer uses equipment in such a manner as to adversely affect the Company's equipment or service to others.

The Company may without notice terminate the subscriber's contract and/or disconnect the service upon:

- A. Abandonment of the service.
- B. Impersonation of another with fraudulent intent.
- C. Use of service in such a way as to impair or interfere with the service of other subscribers; such improper use includes, but is not limited to, the use of service by a subscriber or with his permission in connection with a plan or contrivance to secure a large volume of telephone calls, to be directed to such subscriber at or about the same time which may result in preventing, obstructing, or delaying the service of others.

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**SECTION 2 - REGULATIONS (continued)**

**2.8 Responsibility of the Company (continued)**

**2.8.3 Disconnection of Service by the Company (continued)**

The Company may without notice terminate the subscriber's contract and/or disconnect the service upon: (continued)

D. Abuse or fraudulent use of service; such abuse or fraudulent use includes:

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 the service;
2. The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain, message telecommunications service by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit devise, or by or through any other fraudulent means or devise whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service;
3. 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 the service in such a manner as to interfere unreasonably with the use of the service by one or more other customers.

E. The use of obscene, profane or grossly abusive language over or by means of the Company's facilities, and who after reasonable notice fails, neglects or refuses to cease and refrain from such practice or to prevent the same, and to remove its property from the premises of such person.

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**SECTION 2 - REGULATIONS (continued)****2.8 Responsibility of the Company (continued)****2.8.4 Fractional Charges**

Charges for a fractional part of a month (which follows a full month) are calculated by counting the number of days remaining in the billing period after service is furnished or has been discontinued. The number of days remaining in the billing period are counted starting with the day after the service was furnished or discontinued. Divide that figure by thirty days. The resultant fraction is then multiplied by the monthly charge to arrive at the fractional monthly charge.

**2.8.5 Insufficient Fund Checks**

Customers will be charged \$25.00 on all checks issued to the Company which are returned due to insufficient funds. At the discretion of the Company, the insufficient funds check charge may be waived under appropriate circumstances (e.g. a bank error). (I)

**2.9 Taxes and Fees**

**2.9.1** All state and local taxes (e.g., gross receipts tax, sales tax, municipal utilities tax) are not included in the rates under this tariff, but shall be listed as separate line items on the customer's bill.

**2.9.2** To the extent that a municipality, other political subdivision or local agency of government, or commission imposes and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee, or regulatory fee, such taxes and fees shall, as allowed by law, be billed pro rata to the customer receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government.

**2.9.3** Service shall not be subject to taxes for a given taxing jurisdiction if the customer provides the Company with written verification, acceptable to the Company and to the relevant taxing jurisdiction, that the customer has been granted a tax exemption.

**2.9.4** The Company may adjust its rates or impose additional rates on its customer to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others. The Company may also adjust its rates or impose additional rates to cover the administrative cost of collecting such charges or paying compensation to other entities. Examples of such programs include, but are not limited to, the Universal Service Fund (USF), the Presubscribed Interexchange Carrier Charge (PICC), and compensation to pay telephone service providers for the use of their pay telephones to access the Company's services.

**SECTION 2 - REGULATIONS (continued)**

**2.10 Unauthorized Carrier Change Charge**

Carrier will assess Reseller a \$200 Unauthorized Carrier Change Charge (UCCC) for each Primary Interexchange Carrier (PIC) made without prior valid authorization which results in Carrier being named in a complaint filed with a state or federal regulatory authority or counsel. Continued acts of unauthorized PIC's by any Reseller shall be considered grounds for refusing to provide service to that Reseller.

**2.11 Unauthorized Service Change Charge**

Carrier will assess Reseller a \$200 Unauthorized Service Change Charge (USCC) for each unauthorized addition of services on an end user's bill which results in Carrier being named in a complaint filed with a state or federal regulatory authority or counsel. Continued acts of unauthorized service changes by any Reseller shall be considered grounds for refusing to provide service to that Reseller.

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**SECTION 2 - REGULATIONS (continued)**

2.12 Toll Limitation

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CBAD may establish credit limits for new and existing residential customers based upon credit scores assigned by a commercial credit-reporting agency, or based upon the customers' payment history. Customers may request this service as a means of limiting their toll. Additionally CBAD or the Local Telephone Company on behalf of CBAD may implement Toll Limitation on its own, in order to limit its risk in regard to uncollectible accounts. Toll Limitation service is generally instituted in lieu of a deposit.

CBAD will inform customers when they place an order for new service if they are placed on Toll Limitation. When a customer is placed on Toll Limitation, at their own discretion or by CBAD, a letter will be sent to them outlining the specifics of Toll Limitation. Also, when a customer reaches a threshold limit of toll conversation minutes, a message will be played to that customer when they attempt to place their next toll call. This message will state that they have reached a threshold number of minutes and have only a certain number of available minutes before Toll Limitation is activated on their account. They will also be directed to contact CBAD if they have any questions.

Toll Limitation service will limit customers to eight hundred (800) minutes of unpaid toll usage. The 800 minutes of toll usage limitation is based on actual usage, not just usage that has already appeared on the customer's bill. The 800 minutes of usage consists of toll usage that is provided by CBAD.

Customers will be blocked from initiating toll calls after hanging up on a call that carries them past 800 minutes of accumulated unpaid toll minutes. Once blocked, customers will not be able to begin making toll calls again until they have paid the full amount of toll charges owed.

Customers subject to Toll Limitation implemented by CBAD or by the local telephone company on behalf of CBAD may pay a deposit instead of having their toll access limited. In such case, the amount of the deposit will be based on a minimum of 800 minutes of toll usage per month.

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