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December 1, 2005

Ms. Beth W. Salak, Director  
Division of Competitive Markets and Enforcement  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Ms. Salak:

Attached are new tariff pages filed to become part of the Verizon Florida Inc. General Services Tariff with a requested effective date of January 1, 2006. See Attachment A for impacted tariff sheets.

The purpose of this filing is to offer a loyalty promotional program for large business customers. Verizon Client Advantage Program – Regulated Services is an optional program that may provide credits to customers determined by certain commitment levels met by customers.

If you require additional information, please call Joan Gage at (813) 483-2530.

Sincerely,  
David M. Christian  
Assistant Vice President  
Regulatory Affairs Florida

DMC:sv  
Attachments

*via electronic filing*

ATTACHMENT A

Verizon Florida Inc.

Section A13 Miscellaneous Service Arrangements

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VERIZON FLORIDA INC.  
VERIZON CLIENT ADVANTAGE PROGRAM - REGULATED SERVICES  
EXECUTIVE SUMMARY

**Introduction**

The attached tariff pages provide a new optional service, the Verizon Client Advantage Program for Regulated Services (VCAP-R) Plan.

**Product Description**

VCAP-R is a credit plan available to retail business customers that meet certain eligibility requirements, as set forth in the attached tariff pages, and achieve a commitment level based on contributing total billings (CTB) for business telecommunications services provided by the Company and certain of its affiliates. If the Commitment CTB requirements are met, the VCAP-R Plan provides each eligible business customer with a bottom of the bill discount on certain services as detailed in this tariff.

**Rate Structure**

The discount for year one is 5% of those customers with Eligible CTB of between \$1.5 and \$29.99 million and 5.5% for customers with Eligible CTB of between \$30 and \$80 million. Year two and three discount schedules are more extensive and included within the attached tariff filing.

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A13. MISCELLANEOUS SERVICE ARRANGEMENTS

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## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .1 General

The Verizon Client Advantage Program for Regulated Services (VCAP-R) Plan is a credit plan available to retail business Customers that meet certain eligibility requirements as set forth in A13.47.2.b of this tariff, and achieve a commitment level based on contributing total billings (CTB) for business telecommunications services provided by the Telephone Company and certain of its affiliates. If the eligibility requirements are met, the VCAP-R Plan provides each eligible business Customer with credits as set forth in A13.47.3.a and A13.47.3.b of this tariff.

## .2 Regulations

In addition to the regulations set forth below, the regulations as set forth in the general or standard terms and conditions section of this tariff apply to VCAP-R.

## a. Definition of Terms

Affiliate

Any entity that (directly or indirectly) is controlling, controlled by, or under common control with the Customer.

Base Year

The most recent twelve (12) month period preceding the Customer's signing of a VCAP-R agreement for which data is available.

Contributing Total Billings (CTB)<sup>1</sup>

All billings for regulated and nonregulated products and services during an applicable period of time under the VCAP-R Plan, excluding charges for wireless services, international services, printed and electronic directory services and interLATA telecommunications services.

Eligible CTB<sup>1</sup>

CTB, except for taxes that applicable laws, tariffs, regulations or regulatory orders require Customers to pay.

<sup>1</sup> The Telephone Company may change the services included in CTB, Eligible CTB, Commitment CTB, or Credit CTB by providing notice to the Customer.

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .2 Regulations (Continued)

## a. Definition of Terms (Continued)

Commitment CTB<sup>1</sup>

Eligible CTB, except for the following:

    Surcharges or fees that applicable laws, tariffs, regulations or regulatory orders require Customers to pay;

    Nonregulated products and services;

    DSL Services provided by all former Bell Atlantic Operating Companies;

    The following services previously provided by all former GTE Telephone Operating Companies in all states, including PA and VA ("Selected Former GTE Services"):

        Fast Packet Services including IP-VPN, DSL Services, Fiber Broadband Access Services, Transparent LAN Service, Transport LAN Connect, CyberWAN, and Video Services; and

    Late Payment Charges

Adjustments to billed charges will be excluded from Commitment CTB; however, the following items will be included in Commitment CTB: Other Charges and Credits, except for (1) credits for services eligible for funding under the Federal E-Rate program that are paid by the E-Rate program and not paid by the Customer, and (2) credits for Credits under the VCAP-R Plan.

Commitment CTB is equivalent to CTB for intrastate telecommunications and interstate access services, except for Selected Former GTE Services.

Customer Commitment – A percentage of Commitment CTB that the Customer commits to achieving during each year of the VCAP-R Plan. The initial Customer Commitment, for the first year of the Plan, is ninety percent (90%) of Commitment CTB. The Customer Commitment for subsequent years of the plan will be established as set forth in A13.47.3.a and A13.47.3.b following.

<sup>1</sup> The Telephone Company may change the services included in CTB, Eligible CTB, Commitment CTB, or Credit CTB by providing notice to the Customer.

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .2 Regulations (Continued)

## a. Definition of Terms (Continued)

Credit Trigger

Ninety percent (90%) of Customer Commitment.

Monthly Credit Trigger

Ninety percent (90%) of Customer Commitment divided by 12.

Credit CTB<sup>1</sup>

Commitment CTB for intrastate telecommunications services in this state.

Actual CTB

The amount of Commitment CTB billed to a Customer based on the Customer's actual purchases of Services during any period.

Monthly Actual CTB

Actual CTB during a given month.

State Specific Monthly Actual CTB

Monthly Actual CTB in this state.

Actual Credit CTB

The amount of Credit CTB billed to a Customer based on the Customer's actual purchases of Services during any period.

State Specific Monthly Actual Credit CTB

Monthly Actual Credit CTB in this state.

Measurement Period Actual CTB

Actual CTB during a Measurement Period.

Measurement Period Actual Credit CTB

Actual Credit CTB during a Measurement Period.

<sup>1</sup> The Telephone Company may change the services included in CTB, Eligible CTB, Commitment CTB, or Credit CTB by providing notice to the Customer.

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .2 Regulations (Continued)

## a. Definition of Terms (Continued)

Customer

A retail business entity that subscribes to the VCAP-R Plan. A customer and some or all of its eligible affiliates may elect to be treated as a single individual Customer. Where such an election is made, the CTB of the customer and its eligible affiliates shall be combined for all purposes. An eligible affiliate may elect to be treated as a separate Customer, if the requirements of A13.47.2.b.(3) following of this tariff are met.

Effective Date

The date that the Telephone Company and the Customer sign a VCAP-R agreement.

Measurement Period

The 12-month period beginning on the first day of the term of the VCAP-R Plan, and each succeeding 12-month period during the term.

Month

Any monthly billing cycle during a Measurement Period.

Services

All telecommunications services (as defined in the Federal Communications Act of 1934, as amended) that the Telephone Company and its affiliates are legally permitted to offer and that are obtained from the Telephone Company and its affiliates directly (i.e., not through a carrier not affiliated with the Telephone Company or its affiliates which are reselling such services).

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .2 Regulations (Continued)

## b. Initial Eligibility Requirements

- (1) In order to be eligible for the VCAP-R Plan, the Customer must meet the requirements, as set forth below, during the Base Year.
  - (a) Between \$1.5 million and \$80 million of multi-state total (aggregate) Eligible CTB;
  - (b) A minimum of \$100,000 in multi-state, intrastate, intraLATA (aggregate) local and toll usage Eligible CTB.
- (2) If the Customer meets the initial eligibility requirements as set forth in 2.b.(1) preceding, the Customer may subscribe to the VCAP-R Plan by signing a VCAP-R agreement with the Telephone Company. Such agreement will contain a list of all of the Customer's billing telephone numbers. Customer may add, remove or change the billing telephone numbers only by submitting such additions, removals, or changes to the Telephone Company in writing. Any billing telephone numbers that are not listed in the agreement or added in accordance with this paragraph will not be included under this Plan.
- (3) An Affiliate customer that desires to subscribe to the VCAP-R Plan independent of its parent company or its other Affiliates may sign a VCAP-R agreement provided 1) the Affiliate's parent company or its other Affiliates meets the eligibility requirements set forth in 2.b.(1) preceding and also participates in the VCAP-R Plan, and 2) the Affiliate customer meets the eligibility requirement of a minimum of \$100,000 in multi-state, intrastate, intraLATA (aggregate) local and toll usage Eligible CTB.
- (4) Customers receiving discounts, credits, or other favorable rate treatment under: (1) a Volume Incentive Plan (VIP) tariff or VIP individual case basis arrangement; or (2) any other Telephone Company provided tariff, individual case basis or other customer specific pricing arrangement which provides discounts on a CTB or total billed revenue ("TBR") basis (collectively "TBR Plans") are not eligible to receive credits in the VCAP-R Plan in any jurisdiction where the Customer subscribes to such TBR Plans. However, Customers subscribing to the Verizon Client Advantage Program for Non-Regulated Services (VCAP-NR) are eligible to participate in the VCAP-R Plan.

Customers receiving discounts, credits, or other favorable rate treatment in exchange for revenue commitments for specific services or groups of services, but not on a CTB or TBR basis, are eligible to receive credits in the VCAP-R Plan.

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .2 Regulations (Continued)

## c. Terms and Conditions

## (1) Renewal Period

The VCAP-R Plan is offered as a two year term Plan, with a one year renewal. At the end of the initial two year term, the VCAP-R Plan will be renewed automatically for the third year unless the Customer provides written notification of its intent to terminate the VCAP-R Plan no later than 90 days after the start of the third year.

## (2) Termination By The Customer

(a) A Customer may terminate its VCAP-R agreement and cease to be a Customer under the VCAP-R Plan at any time during the term of the VCAP-R Plan for any reason, including but not limited to business downturn, by providing written notice of termination to the Telephone Company at least 30 days before the effective date of the termination. A Customer who terminates its agreement pursuant to this paragraph shall cease to receive VCAP-R credits as of the effective date of the termination. Subject to (2)(c) following a Customer that terminates its participation in the VCAP-R Plan may subscribe to the VCAP-R Plan again by satisfying the eligibility requirements as set forth in 2.b. preceding.

(b) Termination liability charges do not apply to the Customer's termination of the VCAP-R Plan.

(c) A Customer that terminates its participation in the VCAP-R Plan may not subscribe to the VCAP-R Plan again after the Customer's third such termination.

## (3) Increases in CTB Categories

(a) If a Customer combines, by merger, acquisition of assets or equity, or otherwise, with a new entity that otherwise qualifies under the VCAP-R Plan, and the Customer and the new entity elect in writing to be treated as a single Customer for purposes of consolidating their Eligible CTB, the Telephone Company shall combine 100% of the Customer's Base Year Eligible CTB and 100% of the Base Year Eligible CTB of the new entity (or, if the new entity does not have Base Year Eligible CTB, then 100% of the most recent available annual Eligible CTB of the new entity) to obtain a single new combined Eligible CTB, which will produce a single new combined Customer Commitment that will apply prospectively to the single new combined Customer. Any such increase shall be made effective at the start of the next Measurement Period.

(b) If a Customer combines, by merger, acquisition of assets or equity, or otherwise, with a new entity, but the Customer and the new entity do not elect to be treated as a single new Customer for purposes of consolidating Eligible and Customer Commitment, and the new entity wishes to participate in the VCAP-R Plan, the new entity must meet the eligibility requirements set forth in 2.b. preceding of this tariff and must sign a VCAP-R agreement.

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .2 Regulations (Continued)

## d. Application of Credits

- (1) If the Customer's Monthly Actual CTB meets or exceeds the Monthly Credit Trigger on a cumulative basis, the Customer will receive a credit by multiplying the Customer's State Specific Monthly Actual CTB by the applicable credit percentage set forth in A13.47.3 below, and applying the resulting credit amount to the Customer's State Specific Monthly Actual Credit CTB. Credits will be applied monthly and/or quarterly.
- (2) If the Customer does not meet the Monthly Credit Trigger on a cumulative basis, the Customer will not receive a VCAP-R credit for that month. However, if the Customer generates sufficient Actual CTB during the Measurement Period so that the average Monthly Actual CTB meets the Monthly Credit Trigger, then the Customer will receive a VCAP-R credit for any month(s) in which the Customer did not originally qualify for a VCAP-R credit under d.(1) preceding.
- (3) The Telephone Company will perform annual reviews to make any adjustments as necessary to conform to the rates, terms and conditions of the VCAP-R Plan. No interest will be paid in connection with the application of credits.

## e. Reports

The Telephone Company shall provide monthly reports to the Customer providing information about the Customer's participation in the VCAP-R Plan. At the Telephone Company's discretion, such reports may be provided through various media including, but not limited to, paper or electronic media. The Telephone Company will provide the customer with instructions on how to access the various media.

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

## A13.47 Verizon Client Advantage Program – Regulated Services

## .3 Rate Application

## a. Monthly Credits

- (1) Customers that qualify for the VCAP-R Plan will be designated in Group A or Group B based on the Customer's Eligible CTB:

Group A: Between \$1.5 million and \$29.99 million of multi-state total (aggregate) Eligible CTB

Group B: Between \$30 million and \$80 million of multi-state total (aggregate) Eligible CTB

- (2) Upon the commencement of the VCAP-R Plan, and for the first 12-month Measurement Period of the Plan (Year 1), the monthly credit will be as follows:

Group A: 5%

Group B: 5.5%

For example if, in month one, the Customer's Commitment CTB is \$1,000,000, then the Customer Commitment will be 90% of Commitment CTB, which equals \$900,000, and the Monthly Credit Trigger is 90% of Customer Commitment on a monthly basis, which equals \$810,000.

Assume that Customer's Monthly Actual CTB is \$900,000, which exceeds \$810,000 so the Customer will receive a credit equal to, for Group A, 5% of the Customer's State Specific Monthly Actual CTB. Assume that the Customer's State Specific Monthly Actual CTB is \$500,000, and that the Customer's State Specific Monthly Actual Credit CTB is \$300,000. In this example, Customer will receive a credit of \$25,000 (5% of \$500,000), which will be applied to the Customer's State Specific Monthly Actual Credit CTB of \$300,000.

- (3) At the end of the first Measurement Period (Year 1), the Telephone Company will review the Customer's Actual CTB to determine the percentage of Customer Commitment attained based on Year 1 Customer Commitment. Based on the percentage of Customer Commitment attained and the Customer's election of a new Customer Commitment for the next Measurement Period (Year 2), the Customer will receive a monthly credit during the next Measurement Period in accordance with the credit schedules in A13.47.3.b. following.
- (4) At the end of the second Measurement Period (Year 2), the Telephone Company will review the Customer's Actual CTB to determine the percentage of Customer Commitment attained based on Year 1 Customer Commitment. Based on the percentage of Customer Commitment attained and the Customer's election of a new Customer Commitment for the next Measurement Period (Year 3), the Customer will receive a monthly credit during the next Measurement Period in accordance with the credit schedules in A13.47.3.b. following.
- (5) Customer must notify the Telephone Company in writing of its new Customer Commitment for the next Measurement Period prior to the start of that Measurement Period.

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.47 Verizon Client Advantage Program – Regulated Services

.3 Rate Application (Continued)

b. Credit Schedules

Group A:

<u>Percent of Customer Commitment Achieved in Measurement Period</u>	<u>Customer Election of Customer Commitment for New Measurement Period</u>	<u>Monthly Credit Percentage for New Measurement Period</u>
110%	110%	6%
110%	105% - 109.99%	5.5%
110%	90% - 104.99%	5%
110%	85% - 89.99%	2%
110%	Less than 85%	0%
105% - 109.99%	105% - 109.99%	5.5%
105% - 109.99%	90% - 104.99%	5%
105% - 109.99%	85% - 89.99%	2%
105% - 109.99%	Less than 85%	0%
90% - 104.99%	90% - 104.99%	5%
90% - 104.99%	85% - 89.99%	2%
90% - 104.99%	Less than 85%	0%
85% - 89.99%	85% - 89.99%	2%
Less than 85%	Not applicable	0%

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.47 Verizon Client Advantage Program – Regulated Services

.3 Rate Application (Continued)

b. Credit Schedules (Continued)

Group B:

<u>Percent of Customer Commitment Achieved in Measurement Period</u>	<u>Customer Election of Customer Commitment for New Measurement Period</u>	<u>Monthly Credit Percentage for New Measurement Period</u>
110%	110%	6.5%
110%	105% - 109.99%	6%
110%	90% - 104.99%	5.5%
110%	85% - 89.99%	2%
110%	Less than 85%	0%
105% - 109.99%	105% - 109.99%	6%
105% - 109.99%	90% - 104.99%	5.5%
105% - 109.99%	85% - 89.99%	2%
105% - 109.99%	Less than 85%	0%
90% - 104.99%	90% - 104.99%	5.5%
90% - 104.99%	85% - 89.99%	2%
90% - 104.99%	Less than 85%	0%
85% - 89.99%	85% - 89.99%	2%
Less than 85%	Not applicable	0%

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS****A13.47 Verizon Client Advantage Program – Regulated Services**

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**.1 General**

The Verizon Client Advantage Program for Regulated Services (VCAP-R) Plan is a credit plan available to retail business Customers that meet certain eligibility requirements as set forth in A13.47.2.b of this tariff, and achieve a commitment level based on contributing total billings (CTB) for business telecommunications services provided by the Telephone Company and certain of its affiliates. If the eligibility requirements are met, the VCAP-R Plan provides each eligible business Customer with credits as set forth in A13.47.3.a and A13.47.3.b of this tariff.

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**.2 Regulations**

In addition to the regulations set forth below, the regulations as set forth in the general or standard terms and conditions section of this tariff apply to VCAP-R.

**a. Definition of Terms****Affiliate**

Any entity that (directly or indirectly) is controlling, controlled by, or under common control with the Customer.

**Base Year**

The most recent twelve (12) month period preceding the Customer's signing of a VCAP-R agreement for which data is available.

**Contributing Total Billings (CTB)<sup>1</sup>**

All billings for regulated and nonregulated products and services during an applicable period of time under the VCAP-R Plan, excluding charges for wireless services, international services, printed and electronic directory services and interLATA telecommunications services.

**Eligible CTB<sup>1</sup>**

CTB, except for taxes that applicable laws, tariffs, regulations or regulatory orders require Customers to pay.

<sup>1</sup>—The Telephone Company may change the services included in CTB, Eligible CTB, Commitment CTB, or Credit CTB by providing notice to the Customer.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS****A13.47 Verizon Client Advantage Program – Regulated Services**

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**.2 Regulations (Continued)****a. Definition of Terms (Continued)****Commitment CTB<sup>1</sup>**

Eligible CTB, except for the following:

Surcharges or fees that applicable laws, tariffs, regulations or regulatory orders require Customers to pay;

Nonregulated products and services;

DSL Services provided by all former Bell Atlantic Operating Companies;

The following services previously provided by all former GTE Telephone Operating Companies in all states, including PA and VA ("Selected Former GTE Services"):

Fast Packet Services including IP-VPN, DSL Services, Fiber Broadband Access Services, Transparent LAN Service, Transport LAN Connect, CyberWAN, and Video Services; and

Late Payment Charges

Adjustments to billed charges will be excluded from Commitment CTB; however, the following items will be included in Commitment CTB: Other Charges and Credits, except for (1) credits for services eligible for funding under the Federal E-Rate program that are paid by the E-Rate program and not paid by the Customer, and (2) credits for Credits under the VCAP-R Plan.

Commitment CTB is equivalent to CTB for intrastate telecommunications and interstate access services, except for Selected Former GTE Services.

Customer Commitment – A percentage of Commitment CTB that the Customer commits to achieving during each year of the VCAP-R Plan. The initial Customer Commitment, for the first year of the Plan, is ninety percent (90%) of Commitment CTB. The Customer Commitment for subsequent years of the plan will be established as set forth in A13.47.3.a and A13.47.3.b following.

<sup>1</sup>—The Telephone Company may change the services included in CTB, Eligible CTB, Commitment CTB, or Credit CTB by providing notice to the Customer.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**
**A13.47 Verizon Client Advantage Program – Regulated Services**


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**.2 Regulations (Continued)**
**a. Definition of Terms (Continued)**
Credit Trigger

Ninety percent (90%) of Customer Commitment.

Monthly Credit Trigger

Ninety percent (90%) of Customer Commitment divided by 12.

Credit CTB<sup>1</sup>

Commitment CTB for intrastate telecommunications services in this state.

Actual CTB

The amount of Commitment CTB billed to a Customer based on the Customer's actual purchases of Services during any period.

Monthly Actual CTB

Actual CTB during a given month.

State Specific Monthly Actual CTB

Monthly Actual CTB in this state.

Actual Credit CTB

The amount of Credit CTB billed to a Customer based on the Customer's actual purchases of Services during any period.

State Specific Monthly Actual Credit CTB

Monthly Actual Credit CTB in this state.

Measurement Period Actual CTB

Actual CTB during a Measurement Period.

Measurement Period Actual Credit CTB

Actual Credit CTB during a Measurement Period.

<sup>1</sup>—The Telephone Company may change the services included in CTB, Eligible CTB, Commitment CTB, or Credit CTB by providing notice to the Customer.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**

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**A13.47 Verizon Client Advantage Program – Regulated Services**

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**.2 Regulations (Continued)****a. Definition of Terms (Continued)**Customer

A retail business entity that subscribes to the VCAP-R Plan. A customer and some or all of its eligible affiliates may elect to be treated as a single individual Customer. Where such an election is made, the CTB of the customer and its eligible affiliates shall be combined for all purposes. An eligible affiliate may elect to be treated as a separate Customer, if the requirements of A13.47.2.b.(3) following of this tariff are met.

Effective Date

The date that the Telephone Company and the Customer sign a VCAP-R agreement.

Measurement Period

The 12-month period beginning on the first day of the term of the VCAP-R Plan, and each succeeding 12-month period during the term.

Month

Any monthly billing cycle during a Measurement Period.

Services

All telecommunications services (as defined in the Federal Communications Act of 1934, as amended) that the Telephone Company and its affiliates are legally permitted to offer and that are obtained from the Telephone Company and its affiliates directly (i.e., not through a carrier not affiliated with the Telephone Company or its affiliates which are reselling such services).

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**

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**A13.47 Verizon Client Advantage Program – Regulated Services**

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**.2 Regulations (Continued)**

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**b. Initial Eligibility Requirements**

(1) In order to be eligible for the VCAP-R Plan, the Customer must meet the requirements, as set forth below, during the Base Year.

(a) Between \$1.5 million and \$80 million of multi-state total (aggregate) Eligible CTB;

(b) A minimum of \$100,000 in multi-state, intrastate, intraLATA (aggregate) local and toll usage Eligible CTB.

(2) If the Customer meets the initial eligibility requirements as set forth in 2.b.(1) preceding, the Customer may subscribe to the VCAP-R Plan by signing a VCAP-R agreement with the Telephone Company. Such agreement will contain a list of all of the Customer's billing telephone numbers. Customer may add, remove or change the billing telephone numbers only by submitting such additions, removals, or changes to the Telephone Company in writing. Any billing telephone numbers that are not listed in the agreement or added in accordance with this paragraph will not be included under this Plan.

(3) An Affiliate customer that desires to subscribe to the VCAP-R Plan independent of its parent company or its other Affiliates may sign a VCAP-R agreement provided 1) the Affiliate's parent company or its other Affiliates meets the eligibility requirements set forth in 2.b.(1) preceding and also participates in the VCAP-R Plan, and 2) the Affiliate customer meets the eligibility requirement of a minimum of \$100,000 in multi-state, intrastate, intraLATA (aggregate) local and toll usage Eligible CTB.

(4) Customers receiving discounts, credits, or other favorable rate treatment under: (1) a Volume Incentive Plan (VIP) tariff or VIP individual case basis arrangement; or (2) any other Telephone Company provided tariff, individual case basis or other customer specific pricing arrangement which provides discounts on a CTB or total billed revenue ("TBR") basis (collectively "TBR Plans") are not eligible to receive credits in the VCAP-R Plan in any jurisdiction where the Customer subscribes to such TBR Plans. However, Customers subscribing to the Verizon Client Advantage Program for Non-Regulated Services (VCAP-NR) are eligible to participate in the VCAP-R Plan.

Customers receiving discounts, credits, or other favorable rate treatment in exchange for revenue commitments for specific services or groups of services, but not on a CTB or TBR basis, are eligible to receive credits in the VCAP-R Plan.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**

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**A13.47 Verizon Client Advantage Program – Regulated Services**

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**.2 Regulations (Continued)**

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**c. Terms and Conditions**

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**(1) Renewal Period**

The VCAP-R Plan is offered as a two year term Plan, with a one year renewal. At the end of the initial two year term, the VCAP-R Plan will be renewed automatically for the third year unless the Customer provides written notification of its intent to terminate the VCAP-R Plan no later than 90 days after the start of the third year.

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**(2) Termination By The Customer**

(a) A Customer may terminate its VCAP-R agreement and cease to be a Customer under the VCAP-R Plan at any time during the term of the VCAP-R Plan for any reason, including but not limited to business downturn, by providing written notice of termination to the Telephone Company at least 30 days before the effective date of the termination. A Customer who terminates its agreement pursuant to this paragraph shall cease to receive VCAP-R credits as of the effective date of the termination. Subject to (2)(c) following a Customer that terminates its participation in the VCAP-R Plan may subscribe to the VCAP-R Plan again by satisfying the eligibility requirements as set forth in 2.b. preceding.

(b) Termination liability charges do not apply to the Customer's termination of the VCAP-R Plan.

(c) A Customer that terminates its participation in the VCAP-R Plan may not subscribe to the VCAP-R Plan again after the Customer's third such termination.

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**(3) Increases in CTB Categories**

(a) If a Customer combines, by merger, acquisition of assets or equity, or otherwise, with a new entity that otherwise qualifies under the VCAP-R Plan, and the Customer and the new entity elect in writing to be treated as a single Customer for purposes of consolidating their Eligible CTB, the Telephone Company shall combine 100% of the Customer's Base Year Eligible CTB and 100% of the Base Year Eligible CTB of the new entity (or, if the new entity does not have Base Year Eligible CTB, then 100% of the most recent available annual Eligible CTB of the new entity) to obtain a single new combined Eligible CTB, which will produce a single new combined Customer Commitment that will apply prospectively to the single new combined Customer. Any such increase shall be made effective at the start of the next Measurement Period.

(b) If a Customer combines, by merger, acquisition of assets or equity, or otherwise, with a new entity, but the Customer and the new entity do not elect to be treated as a single new Customer for purposes of consolidating Eligible and Customer Commitment, and the new entity wishes to participate in the VCAP-R Plan, the new entity must meet the eligibility requirements set forth in 2.b. preceding of this tariff and must sign a VCAP-R agreement.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**

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**A13.47 Verizon Client Advantage Program – Regulated Services**

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**.2 Regulations (Continued)**

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**d. Application of Credits**

- (1) If the Customer's Monthly Actual CTB meets or exceeds the Monthly Credit Trigger on a cumulative basis, the Customer will receive a credit by multiplying the Customer's State Specific Monthly Actual CTB by the applicable credit percentage set forth in A13.47.3 below, and applying the resulting credit amount to the Customer's State Specific Monthly Actual Credit CTB. Credits will be applied monthly and/or quarterly.
- (2) If the Customer does not meet the Monthly Credit Trigger on a cumulative basis, the Customer will not receive a VCAP-R credit for that month. However, if the Customer generates sufficient Actual CTB during the Measurement Period so that the average Monthly Actual CTB meets the Monthly Credit Trigger, then the Customer will receive a VCAP-R credit for any month(s) in which the Customer did not originally qualify for a VCAP-R credit under d.(1) preceding.
- (3) The Telephone Company will perform annual reviews to make any adjustments as necessary to conform to the rates, terms and conditions of the VCAP-R Plan. No interest will be paid in connection with the application of credits.

**e. Reports**

The Telephone Company shall provide monthly reports to the Customer providing information about the Customer's participation in the VCAP-R Plan. At the Telephone Company's discretion, such reports may be provided through various media including, but not limited to, paper or electronic media. The Telephone Company will provide the customer with instructions on how to access the various media.

A13. MISCELLANEOUS SERVICE ARRANGEMENTSA13.47 Verizon Client Advantage Program – Regulated Services.3 Rate Applicationa. Monthly Credits

- (1) Customers that qualify for the VCAP-R Plan will be designated in Group A or Group B based on the Customer's Eligible CTB:

Group A: Between \$1.5 million and \$29.99 million of multi-state total (aggregate) Eligible CTB

Group B: Between \$30 million and \$80 million of multi-state total (aggregate) Eligible CTB

- (2) Upon the commencement of the VCAP-R Plan, and for the first 12-month Measurement Period of the Plan (Year 1), the monthly credit will be as follows:

Group A: 5%

Group B: 5.5%

For example if, in month one, the Customer's Commitment CTB is \$1,000,000, then the Customer Commitment will be 90% of Commitment CTB, which equals \$900,000, and the Monthly Credit Trigger is 90% of Customer Commitment on a monthly basis, which equals \$810,000.

Assume that Customer's Monthly Actual CTB is \$900,000, which exceeds \$810,000 so the Customer will receive a credit equal to, for Group A, 5% of the Customer's State Specific Monthly Actual CTB. Assume that the Customer's State Specific Monthly Actual CTB is \$500,000, and that the Customer's State Specific Monthly Actual Credit CTB is \$300,000. In this example, Customer will receive a credit of \$25,000 (5% of \$500,000), which will be applied to the Customer's State Specific Monthly Actual Credit CTB of \$300,000.

- (3) At the end of the first Measurement Period (Year 1), the Telephone Company will review the Customer's Actual CTB to determine the percentage of Customer Commitment attained based on Year 1 Customer Commitment. Based on the percentage of Customer Commitment attained and the Customer's election of a new Customer Commitment for the next Measurement Period (Year 2), the Customer will receive a monthly credit during the next Measurement Period in accordance with the credit schedules in A13.47.3.b. following.

- (4) At the end of the second Measurement Period (Year 2), the Telephone Company will review the Customer's Actual CTB to determine the percentage of Customer Commitment attained based on Year 1 Customer Commitment. Based on the percentage of Customer Commitment attained and the Customer's election of a new Customer Commitment for the next Measurement Period (Year 3), the Customer will receive a monthly credit during the next Measurement Period in accordance with the credit schedules in A13.47.3.b. following.

- (5) Customer must notify the Telephone Company in writing of its new Customer Commitment for the next Measurement Period prior to the start of that Measurement Period.

A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.47 Verizon Client Advantage Program – Regulated Services

.3 Rate Application (Continued)

b. Credit Schedules

Group A:

<u>Percent of Customer Commitment Achieved in Measurement Period</u>	<u>Customer Election of Customer Commitment for New Measurement Period</u>	<u>Monthly Credit Percentage for New Measurement Period</u>
110%	110%	6%
110%	105% - 109.99%	5.5%
110%	90% - 104.99%	5%
110%	85% - 89.99%	2%
110%	Less than 85%	0%
105% - 109.99%	105% - 109.99%	5.5%
105% - 109.99%	90% - 104.99%	5%
105% - 109.99%	85% - 89.99%	2%
105% - 109.99%	Less than 85%	0%
90% - 104.99%	90% - 104.99%	5%
90% - 104.99%	85% - 89.99%	2%
90% - 104.99%	Less than 85%	0%
85% - 89.99%	85% - 89.99%	2%
Less than 85%	Not applicable	0%

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**

**A13.47 Verizon Client Advantage Program – Regulated Services**

.3 Rate Application (Continued)

b. Credit Schedules (Continued)

Group B:

Percent of Customer Commitment Achieved in Measurement Period	Customer Election of Customer Commitment for New Measurement Period	Monthly Credit Percentage for New Measurement Period
110%	110%	6.5%
110%	105% - 109.99%	6%
110%	90% - 104.99%	5.5%
110%	85% - 89.99%	2%
110%	Less than 85%	0%
105% - 109.99%	105% - 109.99%	6%
105% - 109.99%	90% - 104.99%	5.5%
105% - 109.99%	85% - 89.99%	2%
105% - 109.99%	Less than 85%	0%
90% - 104.99%	90% - 104.99%	5.5%
90% - 104.99%	85% - 89.99%	2%
90% - 104.99%	Less than 85%	0%
85% - 89.99%	85% - 89.99%	2%
Less than 85%	Not applicable	0%