

LOCAL TRANSPORT AND TERMINATION SERVICES

8. Establishment of Reciprocal Compensation Arrangement for the Transport and Termination of Telecommunications Traffic

This tariff establishes a reciprocal compensation arrangement for the transport and termination of local telecommunications in accordance with Section 251(b) (5) of the FTA and FCC rule 51.703, 47 CFR 51.703. Pursuant to this arrangement, each carrier (the Company and the Requesting Telecommunications Carrier) receives compensation from the other carrier for the transport and termination on each carrier's network facilities of telecommunications traffic that originates on the network facilities of the other carrier.

8.1 Obligations of the Company

The Company will pay reciprocal compensation to a Requesting Telecommunications Carrier for the transport and termination of local telecommunications traffic in accordance with this part of the tariff.

8.2 Obligations of the Requesting Telecommunications Carrier

In order to obtain reciprocal compensation, a Requesting Telecommunications Carrier must request reciprocal compensation from the Company by submitting a written Formal Request for Reciprocal Compensation to the Company that specifically states that it is a Formal Request for Reciprocal Compensation under section 251(b) (5) and this part of this tariff. The Requesting Telecommunications Carrier must also abide by the terms specified elsewhere in this part.

8.3 Formal Request Process

A Formal Request for Reciprocal Compensation shall be submitted in writing and by certified mail to the Company at the address specified in the Preface of this tariff and shall state that the request is based on section 251(b) (5) of the FTA and this part of this tariff.

The Formal Request for Reciprocal Compensation shall also list the Rate Centers of the Requesting Telecommunications Carrier in which it is terminating or in which it intends to terminate local telecommunications traffic of the Company within the next six months. Reciprocal compensation will not be paid for traffic terminated in any Rate Center that is not listed. The Formal Request for Reciprocal Compensation may be rejected if it lists Rate Centers other than those where local traffic from the Company is terminated as part of the Company's local service offering(s) or if the Formal Request for Reciprocal Compensation lists Rate Centers where the Requesting Telecommunications Carrier does not provide local termination services to the Company.

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By: Agris Pavlovskis, President

Lansing, Michigan

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8.3 Formal Request Process (Cont'd)

Within fifteen (15) business days, the Company will respond to the Formal Request for Reciprocal Compensation and will provide a single point of contact and any additional information needed to process the request.

8.4 Rates for Reciprocal Compensation

The Company will pay reciprocal compensation to a Requesting Telecommunications Carrier that has made an acceptable written Formal Request for Reciprocal Compensation pursuant to the Request Process in Paragraph 8.3 of this Part.

8.4.1 Generally applicable rates(s)

Except as provided in 8.4.2, the reciprocal compensation rate(s) will be based on the Company's local transport and termination rate(s) that are based on the Company's MPSC-approved Total Service Long Run Incremental Cost (TSLRIC) study. The foregoing rate(s) are only used for payment of charges for local traffic exchanged between the Company and the Requesting Telecommunications Carrier when the Company and the Requesting Telecommunications Carrier both are licensed to provide local service in both the originating and terminating Rate Center(s). However, the foregoing rate(s) are not used when the traffic terminates to a Requesting Telecommunications Carrier that is the incumbent LEC for the terminating Rate Center as specified in 8.4.2.1.

8.4.2 Exceptions to the generally applicable rate(s)

8.4.2.1 Traffic terminating to a larger incumbent LEC

For local traffic terminating to a Requesting Telecommunications Carrier that is a larger incumbent LEC whose MPSC-approved TSLRIC study costs are less than the Company's MPSC-approved TSLRIC study costs, the Company will compensate the Requesting Telecommunications Carrier at a rate based on the Requesting Telecommunications Carrier's MPSC-approved TSLRIC study or a rate negotiated between the Requesting Telecommunication Carrier and the Company.

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8.4 Rates for Reciprocal Compensation (cont'd)

8.4.2 Exceptions to the generally applicable rate(s) (cont'd)

8.4.2.2 Inter-exchange traffic deemed to be local for end users

For local traffic that does not both originate and terminate in Rate Center(s) in which both the Company and the Requesting Telecommunications Carrier are licensed to provide local service, the Company will compensate the Requesting Telecommunications Carrier at a rate based on the Requesting Telecommunication Carrier's MPSC-approved TSLRIC Study or a TSLRIC study approved by the MPSC that the Requesting Telecommunications Carrier has adopted as a proxy pursuant to the MTA, or the rate that the Requesting Telecommunications Carrier charges other non-affiliated carriers for like traffic, or a rate negotiated between the Requesting Telecommunication Carrier and the Company. This rate is paid for inter-Rate Center traffic that is deemed to be local by the Company for its end users.

8.5 Other Requirements, Terms, and Conditions

- 8.5.1 Reciprocal compensation will be paid to a Requesting Telecommunications Carrier only for usage following receipt and processing of a Formal Request for Reciprocal Compensation as specified above. Reciprocal compensation cannot be claimed retroactively by a Requesting Telecommunications Carrier.
- 8.5.2 Reciprocal compensation payments may be netted against amounts due from the Requesting Telecommunications Carrier at the discretion of the Company.
- 8.5.3 The Company is only responsible for reciprocal compensation to the extent the charges are lawfully billed by the Requesting Telecommunications Carrier at lawful rates based on accurate and verifiable recorded usage. Usage must be supported by call detail records.

If call detail records are not available, the Company may accept usage from other reports or records for a transitional period, but the Requesting Telecommunications Carrier must work with the Company to implement a system that meets the call detail record standard and implement that system within a reasonable period of time. All records and reports supporting usage must be provided to the Company upon request.

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8.6 Reciprocal Compensation Payment and Bill Dates

The following paragraphs pertain to billings submitted by the Requesting Telecommunications Carrier to the Company. For Billing by the Company to the Requesting Telecommunications Carrier, refer to Part II, paragraph 2.4.1.

8.6.1 Bill Dates

The Requesting Telecommunications Carrier will bill on a current basis all charges incurred by and credits due to the Requesting Telecommunications Carrier attributable to services established during the preceding billing period. The bill day (i.e., the billing date of a bill for the Requesting Telecommunications Carrier for reciprocal compensation under this tariff), the period of service each bill covers and the due date will be as follows:

The Requesting Telecommunications Carrier will establish a bill day each month for the Company and advise the Company in writing of that date.

Bills will include usage for the most recent monthly period. Any known unbilled usage charges for prior periods and any known unbilled adjustments will be applied to this bill.

For the payment date, see section 8.6.2.

8.6.2 Late Payment Charges

Payment for such bills is due in immediately available funds by the payment date, as set forth in following. If payment is not received by the payment date, a late payment charge will apply as set forth in following.

All bills from the Requesting Telecommunications Carrier are due 31 days (due date) after the bill day or by the next bill day (i.e., same date in the following month as the bill day), whichever is the shortest interval, except as provided herein, and are payable in immediately available funds.

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8.6 Reciprocal Compensation Payment and Bill Dates (Cont'd)

8.6.2 Late Payment Charges (Cont'd)

(A) Should the payment due date fall on either a Saturday, Sunday or Legal Holiday, payment for such bill will be due from the Company as follows:

-If the due date falls on a Sunday or on a Legal Holiday which is observed on a Monday, the due date will be the first non-Holiday day following such Sunday or Legal Holiday.

-If the due date falls on a Saturday or on a Legal Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the due date will be the last non Holiday day preceding such Saturday or Legal Holiday.

(B) Should no payment be received by the due date or if a payment or any portion of a payment is received by the Requesting Telecommunications Carrier after the due date as set forth in above, then a late payment charge will be due to the Requesting Telecommunications Carrier. The late payment charge will be the payment or the portion of the payment not received by the due date times a late factor. The late factor will be equal to the lesser (C) of:

(1) One and one-half percent (1.5%) per month or portion thereof; or (C)

(2) The maximum rate allowed by law. (C)

The late factor will apply to all unpaid balances until the full amount due, including associated late payment charges, is paid in full. (N)

8.6.3 Billing Disputes Initiated by the Company

(A) Late payment charges may apply to amounts withheld by the Company pending the settlement of the dispute. Late payment charges are calculated as set forth in 8.6.2(B) preceding except that when the Company disputes the bill on or before the due date and pays the undisputed amount on or before the due date, the interest period will not begin until 10 days following the due date.

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8. Establishment of Reciprocal Compensation Arrangement for the Transport and Termination of Telecommunications Traffic (Cont'd)

8.6 Reciprocal Compensation Payment and Bill Dates (Cont'd)

8.6.3 Billing Disputes Initiated by the Company (Cont'd)

(B) If the Company pays the total billed amount and disputes all or part of the amount, the Requesting Telecommunications Carrier will refund any overpayment. In addition, the Requesting Telecommunications Carrier will pay to the Company interest on the overpayment. When a claim is filed within 90 days of the due date, the interest period will begin from the date of the claim or the date of the overpayment, whichever is later.

The interest period will end on the date that the Requesting Telecommunications Carrier actually refunds the overpayment to the Company. The late factor will be (C)  
equal to the lesser of:

(1) One and one-half percent (1.5%) per month or portion thereof; or

(2) The maximum rate allowed by law. (C)

The late factor will apply to all unpaid balances until the full amount due, including associated late payment charges, is paid in full. (N)  
(N)

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