3. GENERAL REGULATIONS

3.1 Undertaking of INS

Interexchange Telecommunications Services are furnished in accordance with the conditions and regulations that are set forth in the body of this tariff.

3.2 Limitations

Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

3.3 Use of Service

The service provided under this tariff shall not be used for any unlawful purpose.

3.4 Payment and Billing

The following payment and billing regulations are applicable.

(A) Service is provided and billed on a monthly (30 day) basis, beginning on the date that service becomes effective. Interexchange Telecommunications Service becomes effective the day following written or verbal notice of its availability to the customer. Bills are due and payable when rendered. Interest at the rate of 1 and 1/2% per month or the highest rate allowed by law will accrue upon any unpaid amount commencing thirty (30) days after the mailing of the bill.

3. GENERAL REGULATIONS (CONTINUED)

3.4 Payment and Billing (CONTINUED)

(B) The customer is responsible for payment of all bills for interexchange telecommunications service. This includes payment for calls or services 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 call or service, the use of a calling card, or the use of an INS-assigned special billing number, and 4) incurred at the specific request of the customer.

(C) INS reserves the right to examine the credit record of all applicants and customers. A customer whose service has been discontinued for non-payment of bills will be required to pay any unpaid balance due to INS before service is restored. In addition, INS will require a security deposit for the discontinued customer wishing to reestablish service equal to three (3) times the amount of the customer's highest monthly bill. If the customer's estimated traffic has increased since the account was cancelled, INS will require a security deposit equal to three (3) times the newly estimated minutes.

3. GENERAL REGULATIONS (CONTINUED)

3.4 Payment and Billing (CONTINUED)

(D) Applicants or customers whose financial condition is not acceptable to INS will be required to make a security deposit. The amount of the deposit shall be calculated by estimating three (3) months of usage. The customer shall be apprised that after one (1) year of service that account will again be reviewed, and in the event all amounts due have been paid within the terms of the service authorization, the deposit will be refunded in full, plus interest at the annual rate of (one) 1%, calculated from the date that the customer makes the deposit.

(E) The name(s) of the customer(s) must be set forth in the application for service.

(F) In the case of a billing dispute between the customer and INS for service furnished to the customer which cannot be settled to mutual satisfaction, the customer can take the following action:

(1) The customer may request, and INS will comply with the request, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be disconnected.

3. GENERAL REGULATIONS (CONTINUED)

3.4 Payment and Billing (CONTINUED)

(F) (CONTINUED)

(2) If notice of a dispute as to charges is not received in writing by INS within thirty (30) days after a bill has been mailed, the billing will be considered correct and binding. Provision of such notice does not affect the customer's obligations under Sections 3.4(A) and 3.4(B) preceding to make all payments within thirty (30) days after the bill has been mailed.

(3) If a billing dispute is resolved in favor of the customer, and the customer pays the total billed amount and disputes all or part of the amount, INS will refund to the customer the disputed amount plus interest at the rate of (one) 1% per year. If the customer withholds all or part of the billed amount and the dispute is resolved in favor of INS, the customer shall pay to INS the amount withheld pending settlement of the dispute plus interest at the rate set forth in Section 3.4(A) preceding.

3. GENERAL REGULATIONS (CONTINUED)

3.4 Payment and Billing (CONTINUED)

(G) Universal Service Fund

(1) In addition to all other rates in this tariff, customers will be assessed an undiscounted Universal Service Fund ("USF") contribution factor. This USF contribution factor has been directed by the Federal Communications Commission ("FCC") and may be changed by the FCC quarterly. The USF factor replaces the Carrier Universal Service Charge ("CUSC"). From 04/01/03 to 06/30/03 the USF factor was 9.1%. From 07/01/03 to 09/30/03 the USF factor was 9.5%. From 10/01/03 to 12/31/03, the USF factor was 9.2%. From 01/01/04 to 6/30/04, the USF Factor was 8.7%. From 07/01/04 to 12/31/04 the USF Factor was 8.9%. From 01/01/05 to 03/30/05 the USF Factor was 10.7%. From 04/01/05 to 06/30/05 the USF factor was 11.1%. From 07/01/05 to 03/31/06 the USF factor was 10.2%. From 04/01/06 to 06/30/06 the USF factor was 10.9%. From 07/01/06 to 09/30/06 the USF factor was 10.5%. From 10/01/06 to 01/01/07 the USF factor was 9.1%. From 01/02/07 to 04/02/07 the USF factor was 9.7%. From 04/03/07 to 06/29/07 the USF factor was 11.7%. From 06/30/07 to 9/30/07 the USF factor was 11.3%. From 10/01/07 to 12/31/07 the USF factor was 11.0%. From 01/01/08 to 03/31/08 the USF factor was 10.2%. From 04/01/08 to 6/30/08 the USF factor was 11.3%. From 07/01/08 to 12/30/08 the USF factor was 11.4%. From 01/01/09 to 3/31/09 the USF factor was 9.5%. From 4/01/09 to 6/30/09 the USF Factor was 11.3%. From 7/01/09 to 9/30/09 the USF Factor was 12.9%. From 10/01/09 to 12/31/09 the USF Factor was 12.3%. From 01/01/10 to 03/31/10 the USF Factor was 14.1%. From 4/01/10 to 6/30/10 the USF Factor was 15.3%. From 07/01/10 to 09/30/10 the USF Factor was 13.6%. From 10/01/10 to 12/31/10 the USF Factor was 12.9%. From 01/01/11 to 03/31/11 the USF Factor was 15.5%. From 04/01/11 to 06/30/11 the USF Factor was 14.9%. From 07/01/11 to 09/30/11 the USF Factor was 14.4%. From 10/01/11 to 12/31/11 the USF Factor was 15.3%. Starting 01/01/12 the USF Factor is 17.9%. Subject to billing availability, this USF factor will be applied to all interstate charges. (N) (N)

(2) The USF factor does not apply to service provided to resellers that contribute directly to universal service. For this purpose, a reseller is a telecommunications service provider that 1) incorporates purchased telecommunications services into its own offerings and 2) can reasonably be expected to contribute to support universal service based on revenues from those offerings.

3. GENERAL REGULATIONS (CONTINUED)

3.5 Cancellation by Customers

The customer may cancel service by giving a verbal notice to INS up to the day cancellation is requested.

3.6 Cancellation of Service by INS

INS 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.

Without incurring liability, INS may immediately discontinue service or cancel an application for service by written notice to the customer, 1) for nonpayment of any sum due to INS for more than 30 days after INS mails the bill for the amount due, 2) for any violation of any regulation governing service under this tariff, 3) by reason of any order or decision of a court or other government authority having jurisdiction which prohibits INS from furnishing such service. (C)

These restrictions may include, but are not limited to, the following: INS may withhold the use of a specific 8XX number or deny its transfer to another carrier for nonpayment of charges due as specified in 3.4 "Payment and Billing" preceding. Such action may be taken without written notice being sent to the customer.

Nothing herein or elsewhere in this tariff shall give any customer, assignee, or transferee any interest or proprietary right in any 8XX service telephone number.

3. GENERAL REGULATIONS (CONTINUED)

3.7 Inspection, Testing, and Adjustment

(A) Upon written request, INS will furnish the customer with the technical parameters that satisfy the requirements of this tariff. INS may interrupt the service at any time, without penalty to itself, because of departure from any of these requirements.

(B) Upon reasonable notice, the facilities provided by INS shall be made available to INS for such tests and adjustments as may be necessary for their maintenance in a condition satisfactory to INS.

3. GENERAL REGULATIONS (CONTINUED)

3.8 Liability

(A) INS is not liable for any act or omission of any other company or companies furnishing a portion of the service.

(B) INS' liability for willful misconduct, if established as a result of judicial or administrative proceedings, is not limited by this tariff. With respect to any other claim or suit, by a customer, subscribers to or users of any services provided to or resold by the customer, or by any others, for damages associated with the ordering (including the reservation of any specific telephone number), installation (including delays thereof), provision, termination, maintenance, repair, interruption, or restoration of any service or facilities offered under this tariff, INS' liability, if any, shall not exceed an amount equal to the proportionate monthly recurring charges for the period during which the service was affected. This liability for damages shall be in addition to any amounts that may otherwise be due the customer under this tariff as a Credit Allowance for a Service Interruption.

INS shall be indemnified and held harmless by the customer, subscribers to or users of any services provided to or resold by the customer, against:

(1) Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over INS' facilities; and

3. GENERAL REGULATIONS (CONTINUED)

3.8 Liability (CONTINUED)

(B) (CONTINUED)

(2) Claims for patent infringement arising from combining or connecting INS' facilities with apparatuses and systems of the customer; and

(3) All other claims arising out of any act or omission of the customer in connection with any service provided by INS; and

(4) Any claim, loss or damage arising from the use of services offered under this tariff including but not limited to claims by subscribers to or users of any services provided to or resold by the customer.

(C) INS shall not be liable for and the Customer indemnifies and holds INS 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 other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of the customer or any other property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by INS where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of INS' negligence. No agents or employees of other carriers shall be deemed to be agents or employees of INS.

3. GENERAL REGULATIONS (CONTINUED)

3.8 Liability (CONTINUED)

(D) The liability of INS for damages to the customer, subscribers to or users of any services provided to or resold by the customer, for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities, and not caused by the negligence of the customer, subscribers to or users of any services provided to or resold by the customer, shall in no event 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 occurs. No other liability shall in any case attach to INS.

3. GENERAL REGULATIONS (CONTINUED)

3.8 Liability (CONTINUED)

(E) Now, or at any future time, if a state, county or other taxing authority including federal commissions, agencies and/or courts possesses or acquires the legal right to impose an occupation tax, license tax, sales tax, gross receipts tax, permit fee, franchise fee, Universal Service Fund contributions factor or other similar charge upon INS, and has imposed, or imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the customers receiving service within the territorial limits of such taxing authority. Such billing shall allocate the tax, fee, or charge among customers uniformly on the basis of each customer's monthly charges for the types of service made subject to such tax, fee, or charge or as directed by the imposing authority. (C)

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3.9 Interconnection

(A) Service furnished by INS may be interconnected with services or facilities of other common carriers and with private systems, subject to the technical limitations established by INS. Service furnished by INS is not part of a joint undertaking with such other common carriers. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of INS and other common carriers shall be provided at the customer's expense.

3. GENERAL REGULATIONS (CONTINUED)

3.9 Interconnection (CONTINUED)

(B) Interconnection with the facilities or services of other common carriers shall be under the applicable terms and conditions of the other common carriers' tariffs. The customer is responsible for taking all necessary legal steps for interconnecting his customer-provided equipment or communications systems with such other common carrier's facilities. The customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.