

ACCESS SERVICE

16. Reciprocal Compensation Arrangements

16.1 General

Reciprocal Compensation Arrangements are available to Other Network Providers who are also certified providers of local exchange service and order Feature Group L access. Under a Reciprocal Compensation Arrangement, the Telephone Company compensates the ONP for Telephone Company traffic terminating on the ONP's network and the ONP compensates the Telephone Company for ONP traffic terminating on the Telephone Company's network. Any traffic generated for the primary purpose of increasing volumes from one network to another will not be counted for compensation.

Reciprocal compensation is provided at negotiated contract rates as part of interconnection agreements agreed to between the ONP and the Telephone Company. Interconnection agreements are commonly structured to include Reciprocal Compensation (RC) rate elements. The customary rate elements are RC Local Switching, RC Tandem Switching, and RC Tandem Transport.

(C)  
(C)  
(C)

The Reciprocal Compensation (RC) Local Switching rate element shall apply to Reciprocal Compensation arrangements. The RC Local Switching rate compensates carriers for the use of switches connecting traffic originating on another carrier's network to the terminating carrier's end users.

(D)  
(D)

The RC Tandem Switching rate element may apply to Reciprocal Compensation traffic that is routed through a tandem switch in the terminating network. When traffic is in balance as defined below, the RC Tandem Switching element will not apply. The RC Tandem Switching element will not apply to convergent traffic as defined below. The RC Tandem Switching rate compensates carriers for the use of their tandem switches by traffic originating on another carrier's network. A tandem switch is one which establishes a connection between two other switches without directly connecting to an end user.

(D)  
(D)

The RC Common Transport rate element may apply to Reciprocal Compensation arrangements. When traffic is in balance as defined below, the RC Common Transport element will not apply. The RC Common Transport rate will not apply to convergent traffic as defined below. In addition, the RC Common Transport Element rate does not apply to traffic delivered over direct trunks to an end office via Expanded Interconnection Service provided by the Telephone Company or similar service provided to the Telephone Company at an ONP location. The RC Common Transport rate element compensates carriers for the use of their interoffice trunking facilities by traffic originating on another carrier's network.

(D)  
(D)

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16. Reciprocal Compensation Arrangements (Cont'd)

16.2 Measurement of Access Minutes and Determination of Balance

The Telephone Company and Other Network Provider will measure, on a monthly basis, the originating and terminating local usage exchanged between the two networks. Network traffic will be considered in balance when the difference between the Telephone Company's originating minutes which terminate on the ONP's network and the ONP's minutes which terminate on the Telephone Company's network is less than or equal to 10% of the smaller of the two values. Any traffic generated for the primary purpose of increasing volumes from one network to another will not be counted for determination of balance.

Convergent traffic is traffic that is delivered to a small number of large volume customers. If a carrier's incoming to outgoing traffic ratio exceeds 3:1 for the most recent three-month period, there will be a rebuttable presumption that incoming traffic exceeding three times the outgoing traffic is convergent traffic. Convergent traffic will be compensated at the RC Local Switching rate only, regardless of whether the RC Tandem Switching rate and/or RC Common Transport rate would otherwise apply.

All traffic subject to a Reciprocal Compensation Arrangement will be considered terminating for usage measurement purposes, i.e., Telephone Company traffic is terminating to the ONP and ONP traffic is terminating to the Telephone Company. Usage measurement will begin when the Telephone Company entry switch receives answer supervision from the Telephone Company's end user's end office or from the ONP's point of termination, whichever occurs later. Usage measurement will end when the Telephone Company entry switch receives disconnect supervision from the Telephone Company's end user's office or from the ONP's point of termination, whichever occurs first.

(N)  
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(N)

16.3 Examples

Where an ONP connects its network to the Telephone Company's network, the exchange of traffic will not be limited to traffic subject to reciprocal compensation. The Telephone Company will provide RC Tandem Switching and RC Common Transport to connect an ONP's network with another network as appropriate. For example, this would occur when a call is placed between the ONP's network and a network to which the ONP is not directly connected. The provision of RC Tandem Switching and RC Common Transport between an ONP and another network is not limited to this situation, but may be used whenever the customer (i.e., the entity paying for these services) deems it desirable.

(C)  
(C)  
(C)  
(C)  
(T)

The following examples illustrate some of the kinds of traffic which can flow over a connection between the Telephone Company and an ONP. Some are reciprocal compensation, and some are not.

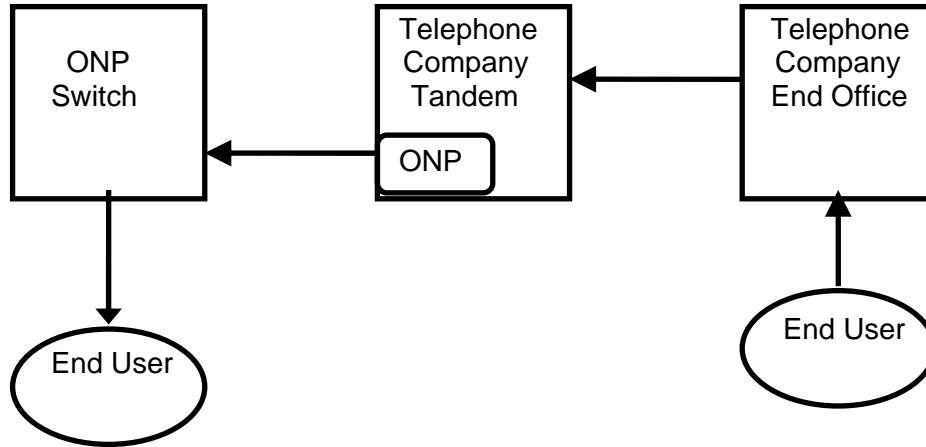
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 1:

**Call From a Telephone Company Customer  
to an ONP Customer  
(ONP Collocated at the Tandem)**



1. Call is counted for computing balance of traffic
2. If traffic is in balance Telephone Company pays ONP RC Local Switching (C)
3. If traffic is out of balance Telephone Company pays ONP RC Local Switching and RC Common Transport (C)  
(C)
4. For convergent traffic, Telephone Company pays ONP only RC Local Switching (N)

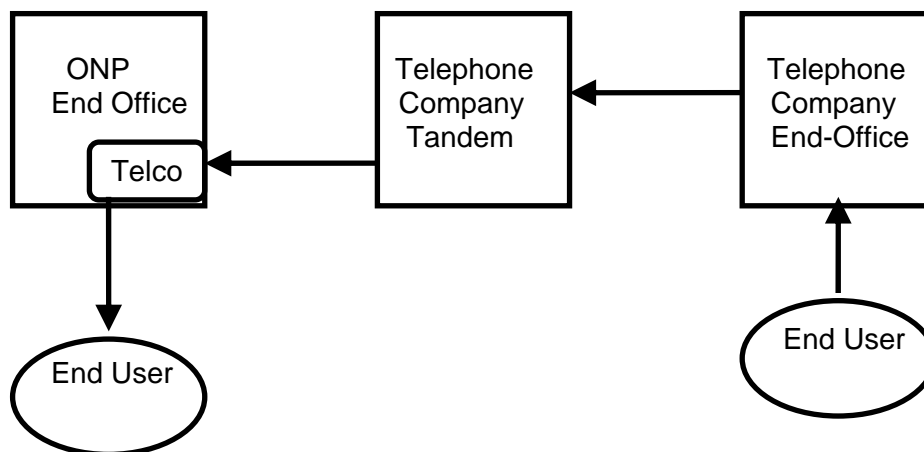
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 2:

**Call From a Telephone Company Customer  
to an ONP Customer  
(Telephone Co. Collocated at ONP End Office)**



1. Call is counted for computing balance of traffic
2. Regardless of balance, Telephone Company pays ONP RC Local Switching (C)
3. Telephone Company has direct trunks to ONP, so RC Common Transport does not apply (C)

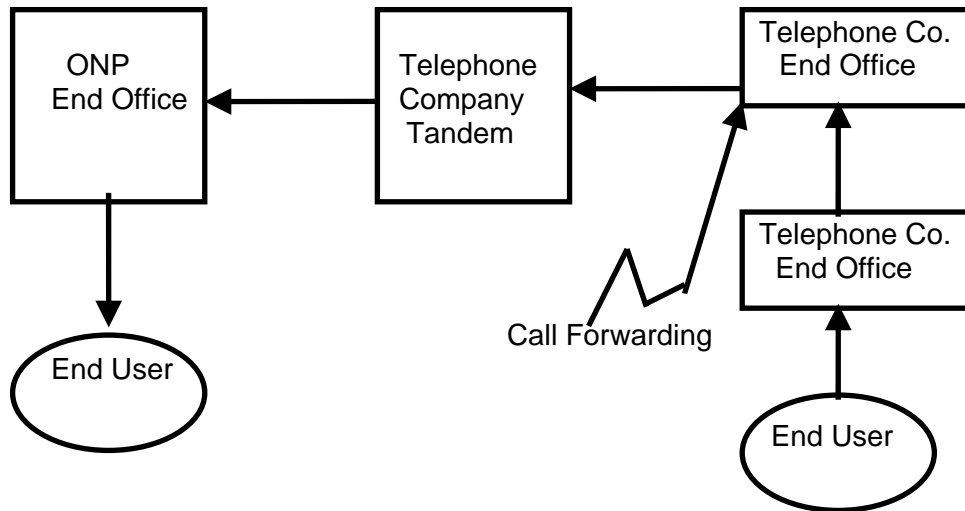
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 3:

**Call From a Telephone Company Customer  
to an ONP Customer  
Number Portability**



1. Call is counted for computing balance of traffic
2. If traffic is in balance Telephone Company pays ONP RC Local Switching (C)
3. If traffic is out of balance Telephone Company pays ONP RC Local Switching and RC Common Transport (C)
4. If Telephone Company is collocated at the ONP End Office RC Common Transport does not apply regardless of balance (C)
5. ONP pays for additional trunking if traffic volume warrants
6. For convergent traffic, Telephone Company pays only RC Local Switching regardless of whether collocated. (N)  
(N)

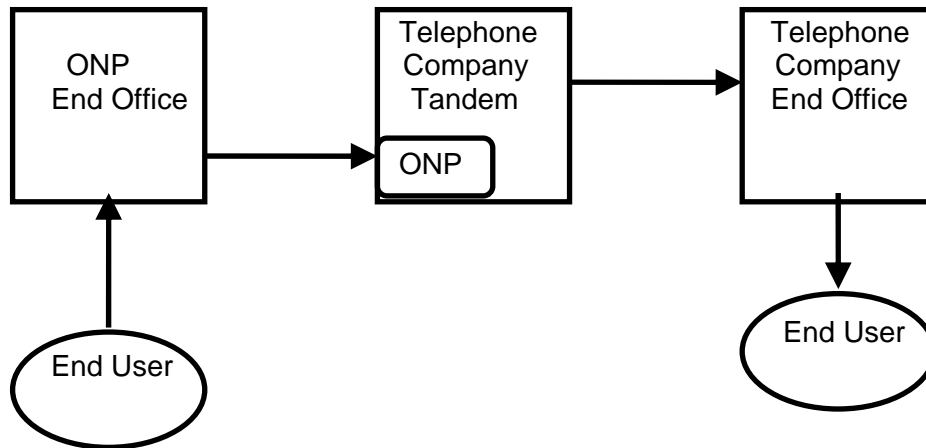
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 4:

**Call From an ONP Customer  
to a Telephone Company Customer  
(ONP Collocated at the Tandem)**



1. Call is counted for computing balance of traffic
2. If traffic is in balance ONP pays Telephone Company RC Local Switching (C)
3. If traffic is out of balance ONP pays Telephone Company RC Local Switching, RC Common Transport, and RC Tandem Switching (C)  
(C)
4. For convergent traffic ONP pays Telephone Company only RC Local Switching (N)

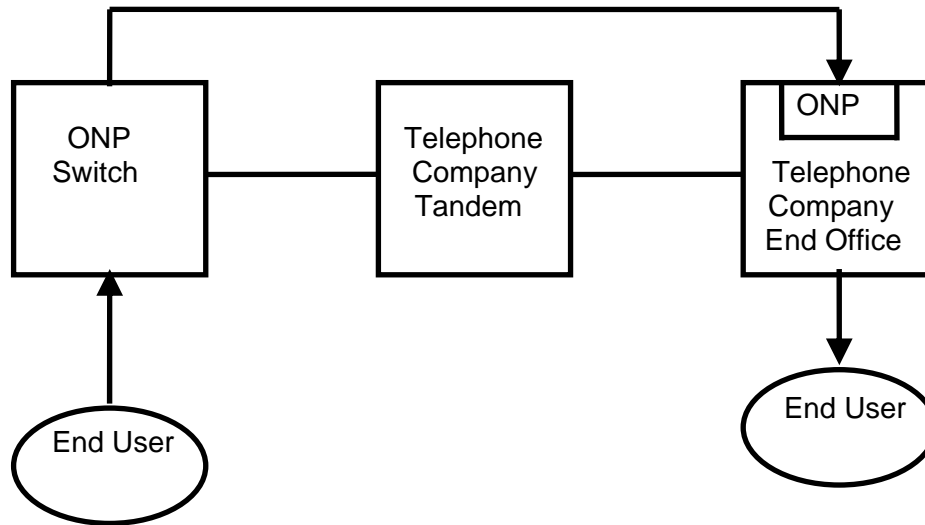
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 5:

**Call From an ONP Customer  
to a Telephone Company Customer  
(ONP Collocated at Telephone Company End Office)**



1. Call is counted for computing balance of traffic
2. Regardless of balance, ONP pays Telephone Company RC Local Switching (C)
3. ONP has direct trunks to Telephone Company end office, so RC Tandem Switching and RC Common Transport do not apply. (C)  
(C)

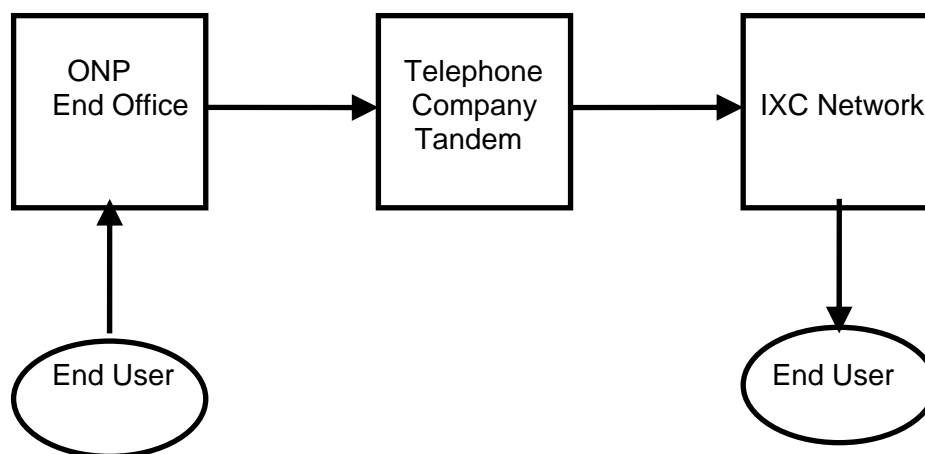
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 6:

**Call From an ONP Customer Using an IXC with Telephone Company Performing Tandem Switching**



1. Call is not counted for computing balance of traffic
2. IXC pays Telephone Company Local Transport. (T)
3. IXC compensates ONP per agreement between ONP and IXC or per ONP's access tariff, as applicable
4. No compensation between Telephone Company and ONP
5. Technically, this is not reciprocal compensation. The ONP's end user is, for purposes of this call, the IXC's customer. The ONP and the Telephone Company are engaged in joint provision of access to the IXC, as described in Section 2.4.7 of this tariff.

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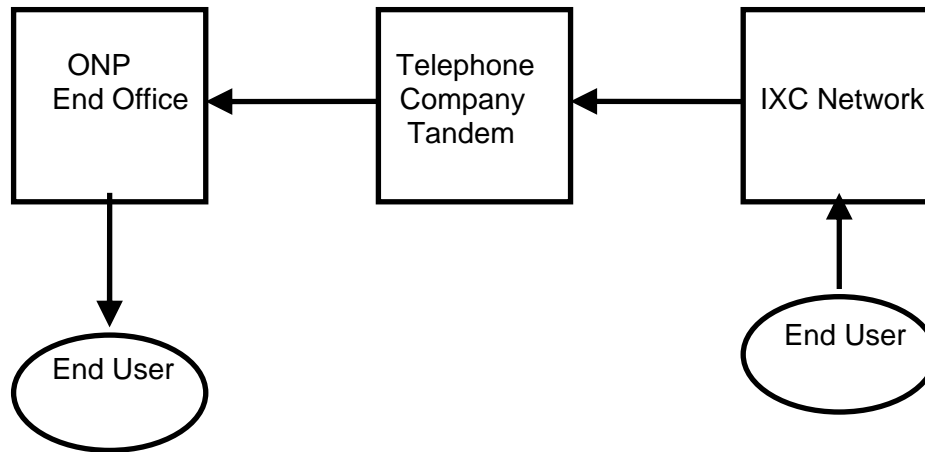
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 7:

**Call From an IXC Customer to an ONP Customer  
Terminating Through Telephone Company Tandem**



1. Call is not counted for computing balance of traffic
2. IXC pays Telephone Company Local Transport. (T)
3. IXC compensates ONP per agreement between ONP and IXC or per ONP's access tariff as applicable
4. No compensation between Telephone Company and ONP
5. Technically, this is not reciprocal compensation. The ONP and the Telephone Company are engaged in joint provision of access to the IXC, as described in Section 2.4.7 of this tariff

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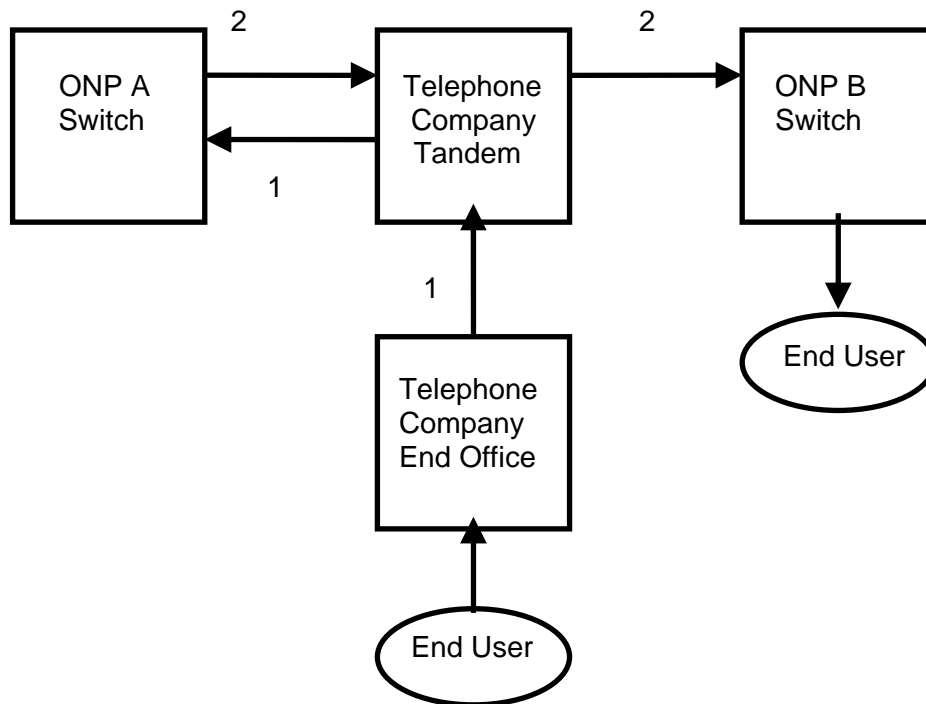
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 8:

**Call From a Telephone Company customer  
to an ONP B Customer  
with an ONP A portable number**



\* Telephone Company End -user dials 757-1000. Telephone Company switch determines that this NXX belongs to ONP A and routes the call to the tandem which then routes the call to ONP A which call forwards the call to the ONP B "hidden" number.

\* Call is treated as two local calls: (Telephone Company to ONP A, ONP A to ONP B)

1. Call #1 see Example 1 or 2
2. Call #2 see Example 9

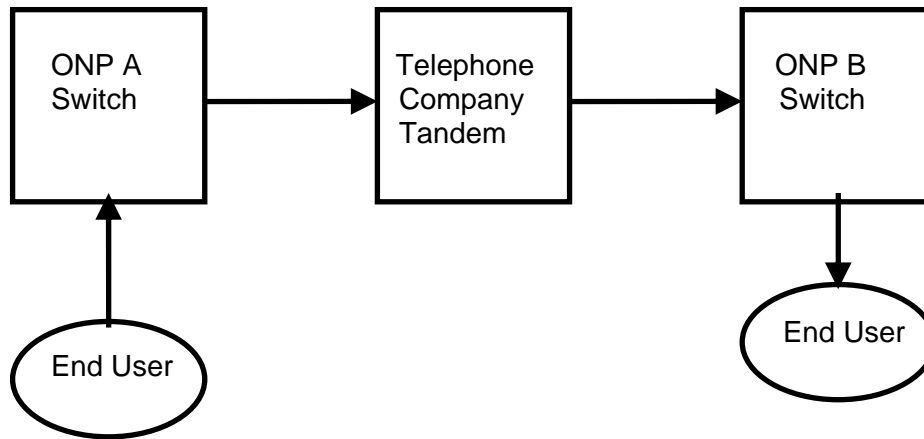
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 9:

**Call From an ONP A Customer  
to an ONP B Customer  
No Direct Trunks Between ONP A and ONP B**



1. Call is not counted for computing balance of traffic.
2. ONP A pays Telephone Company RC Tandem Switching and RC Common Transport. (C)
3. Technically, this is not part of reciprocal compensation; the Telephone Company is providing Transport to ONP A so that ONP A may connect to ONP B. (T)

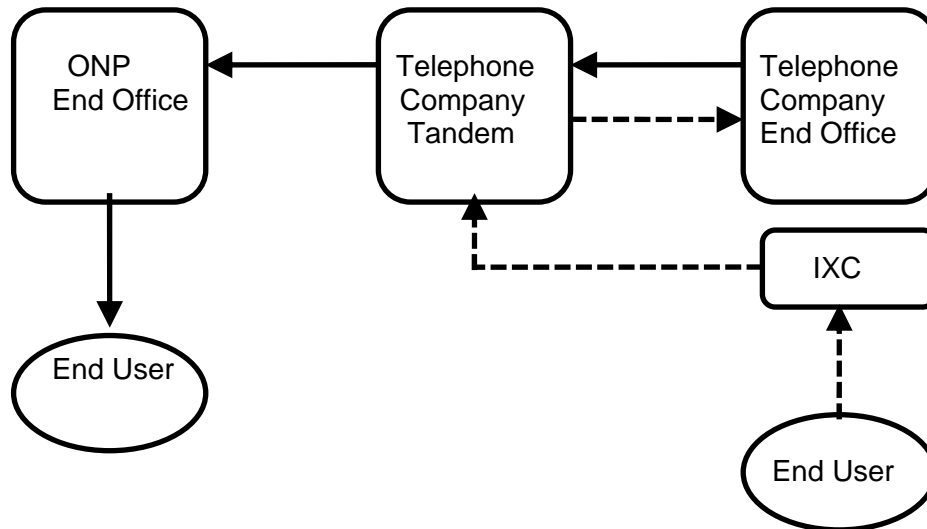
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 10:

**Call From an IXC Customer  
to an ONP Customer  
Number Portability**



1. IXC pays Telephone Company terminating access.
2. Telephone Company reimburses ONP for its portion of terminating access.
3. Technically, this is not reciprocal compensation. This call appears to the IXC to be terminating to the Telephone Company, but the Telephone Company and the ONP treat it as similar to the joint provision of access described in Section 2.4.7 of this tariff.

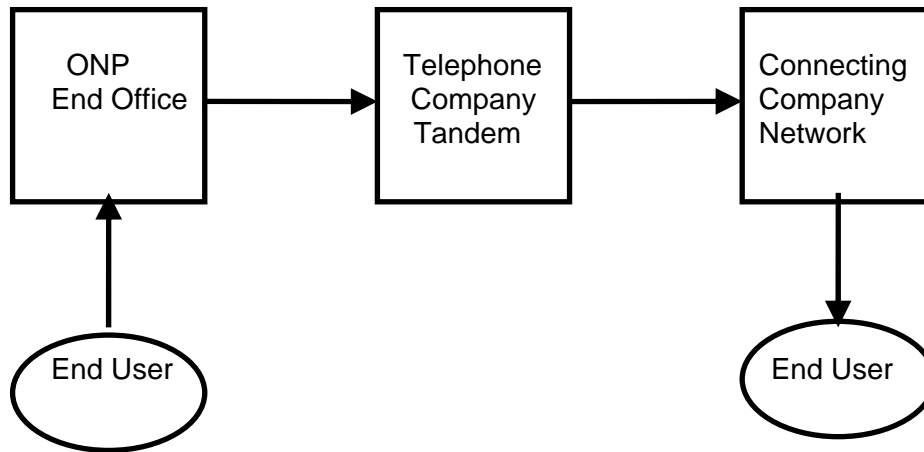
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 11:

**Call From an ONP Customer  
to a Connecting Company Customer  
(EAS Route)**



1. Call is not counted for computing balance of traffic
2. ONP pays Telephone Company RC Tandem Switching and RC Common Transport (C)
3. Telephone Company completes call to connecting company per existing agreements between Telephone Company and Connecting Company. ONP is responsible for any termination charges due to the Connecting Company
4. Technically, this is not reciprocal compensation. The Telephone Company is providing Transport to the ONP so that the ONP may connect to the Connecting Company. (C)

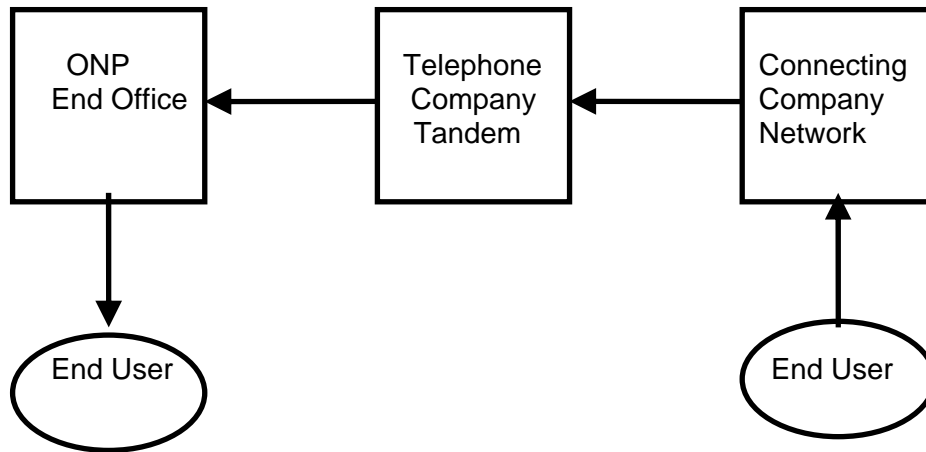
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 12:

**Call From a Connecting Company Customer  
to an ONP Customer  
(EAS Route)**



1. Call is not counted for computing balance of traffic
2. ONP has not provided facilities to connecting company border. Connecting Company passes call through Telephone Company tandem over existing EAS route.
3. Telephone Company passes call to ONP. ONP pays Telephone Company RC tandem switching and RC common transport.
4. Technically, this is not reciprocal compensation. The Telephone Company is acting as a third party ILEC transporting calls between originating and terminating carriers and has no responsibility to pay for their completion.

(C)  
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(C)

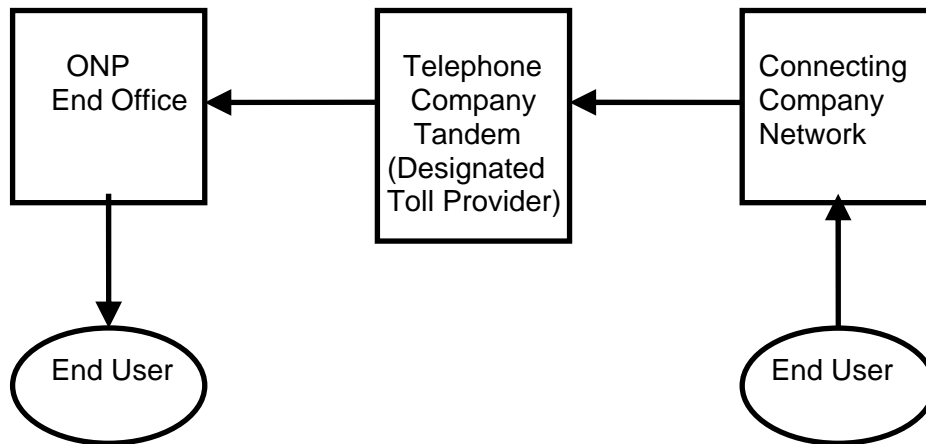
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 13:

**Call From a Connecting Company Customer  
to an ONP Customer  
(Intra-lata Toll)**



(C)

1. Connecting Company originates call on behalf of Telephone Company. Telephone Company is the designated toll provider for this example.

- a) Connecting Company bills End User at Telephone Company's intraLATA toll rates
- b) Connecting Company remits toll revenue to Telephone Company
- c) Telephone Company pays Connecting Company access and Billing & Collection per applicable tariff

(D)

2. Call does not count for computing balance of traffic

(T)

3. Technically, this is not reciprocal compensation. The connecting Company and the ONP are engaged in providing originating and terminating access, respectively, to the Telephone Company.

(T)

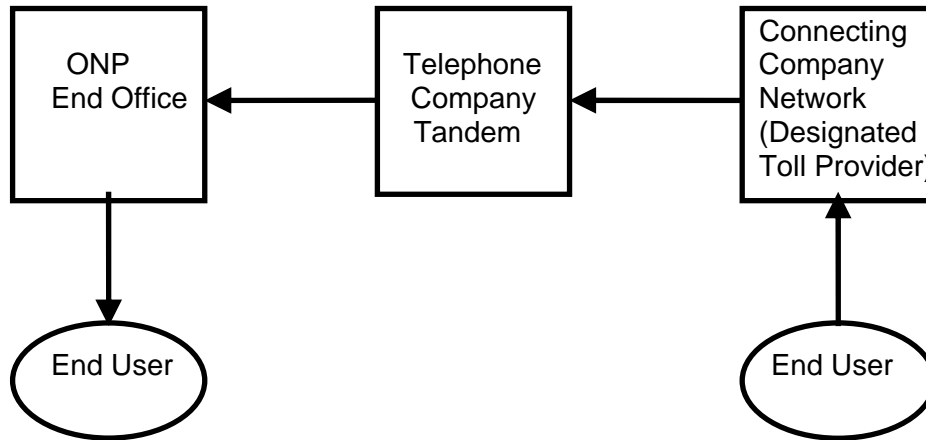
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 14

**Call From a Connecting Company Customer  
to an ONP Customer  
(Intra-lata Toll)**



1. Connecting Company originates call to an ONP Customer. The Connecting Company is the designated toll provider for this example.
  - a) The Connecting Company is responsible for any termination charges due to the ONP.
2. Call does not count for computing balance of traffic.
3. Technically, this is not reciprocal compensation. The Telephone Company and the ONP are engaged in joint provision of access to the connecting company, as described in Section 2.4.7 of this tariff.

(C)  
|  
(C)



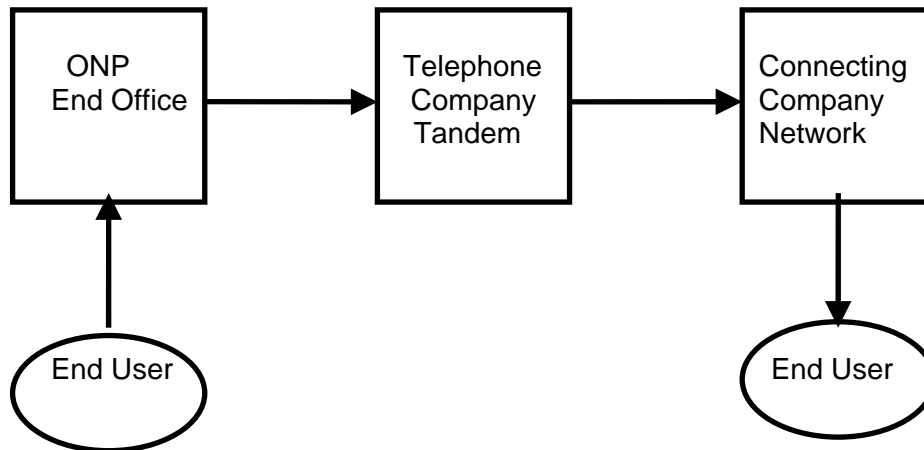
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 15:

**Call From an ONP Customer  
to a Connecting Company Customer  
(Intra-lata Toll)**



1. ONP delivers call to Telephone Company tandem for completion. ONP is the toll provider for this example.
  - a) ONP bills end user ONP toll rates and keeps toll revenue
  - b) ONP pays Telephone Company RC Tandem Switching and RC Common Transport (C)
  - c) ONP is responsible for any termination charges due to the Connecting Company (C)
2. Call does not count for computing balance of traffic
3. Technically, this is not reciprocal compensation. The Telephone Company and the Connecting Company are engaged in joint provision of access services to the ONP.

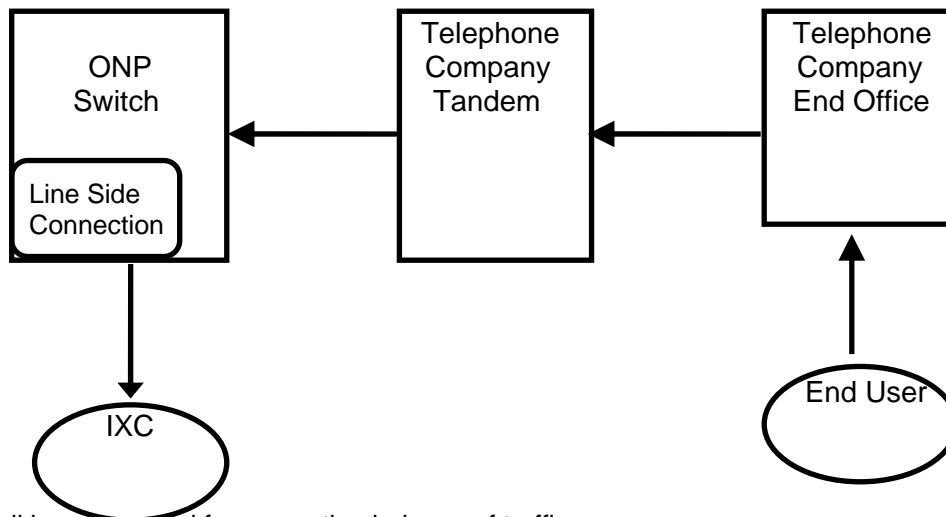
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 16:

**Call From a Telephone Company Customer to an IXC using FGA (Line-Side Connection) provided by an ONP**



1. Call is not counted for computing balance of traffic.
2. Call may, at the Telephone Company's option, be routed directly from the Telephone Company End Office to ONP switch.
3. IXC pays Telephone Company local switching and FGA-ONP Line Side Transport rate.
4. IXC compensates ONP per agreement between IXC and ONP, or per ONP's state access tariff as applicable.
5. There is no compensation between Telephone Company and ONP in this example.
6. Technically, this example is not reciprocal compensation. The Telephone Company's end user for the purposes of this call is the IXC's customer. The Telephone Company and the ONP are engaged in joint provisioning of switched access to the IXC.
7. Line Side Connection includes PBX trunks, ISDN-PRI, or any other phone number based connection.

(T)

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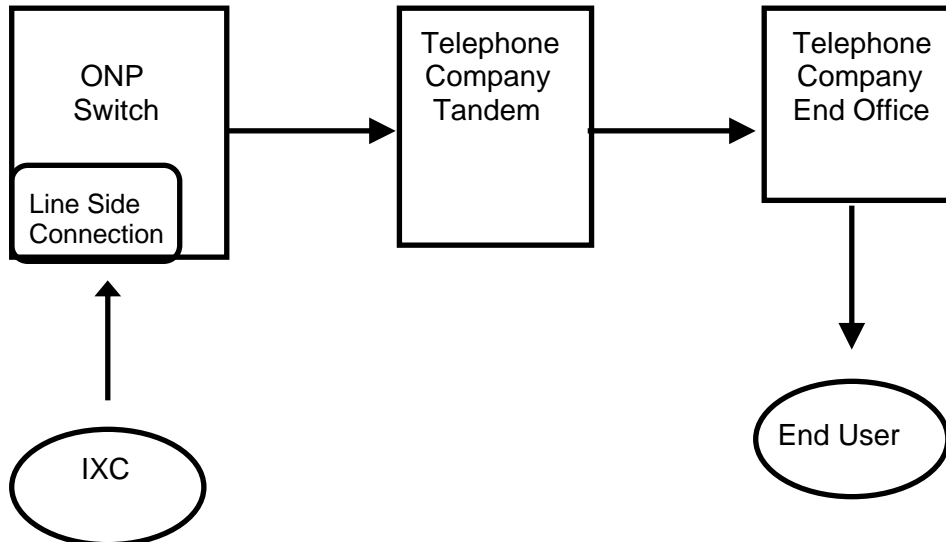
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16. Reciprocal Compensation Arrangements (Cont'd)

16.3 Examples (Cont'd)

Example 17:

**Call to Telephone Company Customer from IXC  
using FGA (Line-Side Connection) provided by an ONP**



1. Call is not counted for computing balance of traffic.
2. Call may, at the ONP's option, be routed directly from the ONP switch to the Telephone Company's End Office.
3. IXC pays Telephone Company local switching and FGA-ONP Line Side Transport rate. (T)
4. IXC compensates ONP per agreement between IXC and ONP, or per ONP's state access tariff as applicable.
5. There is no compensation between Telephone Company and ONP in this example.
6. Technically, this example is not reciprocal compensation. The Telephone Company's end user, for the purposes of this call, is the IXC's customer. The Telephone Company and the ONP are engaged in joint provisioning of switched access to the IXC.
7. Line Side Connection includes PBX trunks, ISDN-PRI, or any other phone number based connection.

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