

CARRIER CREDIT AND COLLECTION

1. APPLICATION

These Carrier Credit and Collection regulations apply to interconnection of a Carrier's network to the Company's network as well as to the Company's provision of resold services and/or unbundled network elements to a Carrier for use in its provision of local exchange service to its end users, as defined in AT&T Tariff 22, Part 22 (Wholesale resale)/Part 2, Section 2 (Resale not under Part 22 including Telemanagement); and Part 23 (Interconnection).

The term "service" or "Carrier Class of Service" as used in these regulations shall mean "the Company's provision of network interconnection, resold service, and/or unbundled network elements. In addition, the term "Carrier" as used in these regulations shall mean "telecommunications carrier" as defined by the Telecommunications Act of 1996, Publ. L. No. 104-104, 110 Stat. 56 (1996) ("the Act") and the rules and regulations of the Federal Communications Commission and the Illinois Commerce Commission.

2. PAYMENT FOR SERVICE

- A. Bills for services furnished to Carrier shall be issued monthly. Carrier shall pay AT&T all undisputed amounts on or before the payment date (the "Due Date"). (C)
(C)
(D)

CARRIER CREDIT AND COLLECTION (cont'd)

2. PAYMENT FOR SERVICE (cont'd)

B. The Carrier shall be obligated to:

- (i) make payment of all undisputed charges to Company by the Due Date.
- (ii) prior to the Due Date, give written notice of any amounts which it disputes and include in such written notice the specific details and reasons for disputing each item; and
- (iii) where a dispute has been asserted, pay all disputed amounts into an interest-bearing escrow account with a third party escrow agent satisfactory to Company by the Due Date.

Independent of Carrier's payment obligations set forth in this Section B, Carrier shall make a separate claim in writing, with adequate support, for any service interruption credit or other credit to which Carrier believes itself entitled. Carrier may not offset or withhold any amounts due Company hereunder against amounts due Carrier.

C. Any payment to Company from Carrier may be paid by check, negotiable instrument or electronic funds transfer. Payment must result in immediately available funds on or before Due Date.

3. FAILURE TO MAKE PAYMENT FOR SERVICE

A. If Carrier remits a dishonored check to the Company or to the disputed charge escrow account, the Company (in addition to the application of the dishonored check charge set forth in this Part) may, pursuant to one (1) business day notice via facsimile, courier or one day delivery service, place Carrier on a "cash equivalent" basis which thereafter limits acceptable payment for all amounts from Carrier to a cashiers check or electronic fund transfer acceptable to the Company and denominated in United States dollars.

CARRIER CREDIT AND COLLECTION (cont'd)

3. FAILURE TO MAKE PAYMENT FOR SERVICE (cont'd)

B. As further described in Section 2(B) above, the failure of Carrier to make payment for service of undisputed amounts by the Due Date will entitle the Company to exercise any, or all, of the following options:

- (i) assess a late payment charge in the amount of the lesser of one and one half (1½%) of the unpaid balance of the charges rendered per month or at the highest lawful rate, and where appropriate, dishonored check charge;
- (ii) require a provision of a deposit or increase an existing deposit pursuant to a revised deposit request (a revised deposit request may also be issued as described in 4(B) and 5(B) following);
- (iii) refuse to accept new, or complete pending orders with the exception of disconnect orders; and/or
- (iv) disconnect service.

The Company's exercise of any of these options shall not delay or eliminate Carrier's obligation to pay the charges set forth on each and every bill on, or before, the applicable Due Date.

C. The Company has no obligation to offer a payment arrangement to retire any past due amounts. Moreover, the Company will not agree to any payment arrangement which fails to require that all current billing must be paid on, or before, the applicable Due Date by Carrier.

CARRIER CREDIT AND COLLECTION (cont'd)

3. FAILURE TO MAKE PAYMENT FOR SERVICE (cont'd)

- D. Receipt of a subsequently dishonored negotiable instrument in response to a notice of disconnection does not constitute payment. If the act of remitting such instrument has already caused Company to have delayed disconnection of service, the Company does not have to issue an additional notice of disconnection to disconnect Carrier, but the Company will allow Carrier only one business day for redemption of the dishonored instrument with a Cashiers Check or Wire Transfer acceptable to the Company and denominated in United States dollars.
- E. Once disconnection has occurred, Carrier's only option is to pay all outstanding amounts due and establish a new Carrier account as a new applicant for service. ("Carrier Applicant" as defined in Section 4(A) following).

4. CARRIER APPLICANTS FOR SERVICE - DEPOSIT/ADVANCED PAYMENT

- A. A Carrier which applies to the Company for the establishment of an account for any Carrier Class of Service, as defined in 1. preceding, is a "Carrier Applicant". A Carrier who voluntarily disconnects service or whose service has been disconnected pursuant to notice has the status of a Carrier Applicant.
- B. If Carrier Applicant is unable to provide satisfactory credit information, the Company may require;
 - (i) an advanced payment in the amount of the charges associated with establishing Carrier's service and estimated charges for first thirty (30) days of service; and
 - (ii) a deposit in the amount of no less than three month's service.

The Company will not establish service for Carrier Applicant until the advanced payment and deposit have been received by the Company. Once service has been established, the deposit amount required of Carrier may be revised to reflect the quantity of service actually being billed to Carrier by Company and shall be known as a "revised deposit request".

CARRIER CREDIT AND COLLECTION (cont'd)

4. CARRIER APPLICANTS FOR SERVICE - DEPOSIT/ADVANCED PAYMENT (cont'd)

- C. The credit information evaluation process includes:
- (i) assessing previous payment history with Ameritech if occurring within previous 12 months;
 - (ii) obtaining a credit risk rating score from a credit bureau such as Dunn and Bradstreet, TRW, etc.; and
 - (iii) requesting and evaluating the financial statement and business plan of Carrier Applicant, parent, or other affiliate.
- D. The fact that a deposit, or revised deposit, request has been made under this Section 4 or Section 5 following in no way relieves Carrier from complying with the Company's regulations as to the prompt payment of bills. A deposit will be retained pursuant to deposit rules summarized below. The Due Date applicable to the full amount of a deposit, or revised deposit, request reflecting the most recent average monthly billing, shall be fifteen (15) days after the date on which the deposit or revised deposit has been requested.

CARRIER CREDIT AND COLLECTION (cont'd)

5. PRESENT CARRIER ACCOUNT - DEPOSIT

- A. A deposit can be required on an existing Carrier account, when Carrier fails to make payment for service as defined in Section 2(B) above by the Due Date or has received a notice of disconnection from the Company. The Company will not accept, process or install new or pending orders for service until the deposit or revised deposit has been received by the Company.
- B. The amount of a deposit shall be in the amount of no less than three (3) months billing based on the Carrier's most current billing history. The amount of the deposit required of Carrier may be revised to reflect the most current monthly billing. A deposit will be refunded as described below. The Due Date of the full amount of the deposit, or revised deposit, shall be fifteen days (15) after the date on which the Company requests the required deposit or deposit revision.
- C. The deposit/revised deposit requested will be refunded after being held for twenty-four (24) months provided that during that period:
- (i) full payment for service was made past the Due Date no more than twice within twenty-four (24) months;
 - (ii) the Company had not issued a notice of disconnection or had to initiate collection activity; and
 - (iii) there is no evidence of scheme or device to obtain service without payment.

If all of the foregoing criteria are not achieved during the first twenty-four months of service, the deposit will be eligible for return when such criteria have been met for 24 consecutive months.

CARRIER CREDIT AND COLLECTION (cont'd)

5. PRESENT CARRIER ACCOUNT - DEPOSIT (cont'd)

- D. Interest at the percentage rate determined by the Commission compounded annually shall be paid by the Company on all deposits made for the purpose of establishing credit.

6. REFUSAL TO ACCEPT NEW OR COMPLETE PENDING SERVICE ORDERS

A notice of disconnection may include a notice of refusal to accept, process, or install any new or pending orders for service with the exception of disconnect orders.

In the event that Company has issued a notice of disconnection for nonpayment, the Company may, upon one (1) business day's notice, via facsimile, courier, or one day delivery service, refuse to accept, process, or install any new or pending orders for service until all payment of unpaid charges and any deposit, or revised deposit, request have been fully satisfied.

CARRIER CREDIT AND COLLECTION (cont'd)

7. DISCONNECTION OF SERVICE

- A. The Company can disconnect or deny service for any of the following reasons:
- (i) failure to satisfy a deposit, or revised deposit request, by the Due Date;
 - (ii) failure to pay the undisputed portion of a past due bill to the Company and/or disputed portion of past due bill to escrow account satisfactory to Company;
 - (iii) failure to make payment in accordance with terms of Company agreed payment arrangement;
 - (iv) Company has reason to believe that Carrier has used a device or scheme to obtain service without payment; or
 - (v) for violation of or noncompliance with:
 - any rules and regulations of the Company on file with the Illinois Commerce Commission for which violation of or noncompliance with the Company is authorized by tariff to deny or refuse service;
 - municipal ordinances and/or other laws pertaining to telephone service; or
 - an Illinois Commerce Commission order.
- B. If Carrier fails to pay amounts billed including late payment charges and any outstanding advanced payment, deposit, or revised deposit request ("Unpaid Charges") within fifteen days after the Due Date, Company may notify the Carrier in writing that its service will be disconnected ("Notice of Disconnection") unless all Unpaid Charges are paid in full as described in C. following within ten (10) business days of date written notice is sent ("Disconnection Notice Period"). Disconnection can occur upon the conclusion of the Disconnection Notice Period but in no case prior to 31 days after the Due Date.

CARRIER CREDIT AND COLLECTION (cont'd)

7. DISCONNECTION OF SERVICE (cont'd)

- C. If Carrier has a bona fide dispute regarding any portion of the Unpaid Charges, it shall initiate the following Dispute Procedure prior to the expiration of the Disconnection Notice Period:
- (i) immediately pay the undisputed portion of the Unpaid Charges to Company;
 - (ii) give written notice of the amounts which it disputes and include in such written notice the specific details and reasons for disputing each item; and
 - (iii) where a dispute has been asserted, immediately pay all disputed amounts into an interest-bearing escrow account with a third party escrow agent satisfactory to Company.
- D. Escrow funds shall be disbursed as mutually agreed to by Carrier and Company. Late payment charges will not be applied to funds disbursed from an escrow account for the period of time in which the funds were held in the escrow account. If, however, the Carrier and Company are unable to resolve the dispute, then pursuant to Dispute Resolution provisions in Section 8 within thirty (30) days, either party may file a complaint with the Commission to resolve the dispute and to disburse the escrow funds in accordance with such resolution. A claim of Disputed Charges shall in no way limit the Company's right to disconnect Carrier's service for the failure to pay the undisputed portion of Unpaid Charges as required in Section 7.C.(i) together with payment of all current charges to the Company by the Due Date.

CARRIER CREDIT AND COLLECTION (cont'd)

7. DISCONNECTION OF SERVICE (cont'd)

- E. Any of Carrier's end users who apply for local exchange service directly from the Company are subject to its eligibility rules for new applicants.
- F. The Company can disconnect service to Carrier for failure to pay Unpaid Charges and will have no liability to Carrier or its end users in the event of such disconnection.

CARRIER CREDIT AND COLLECTION (cont'd)

8. DISPUTE RESOLUTION PLAN

- A. Except as otherwise provided for in this Tariff, any dispute, controversy or claim (individually and collectively, a "Dispute") arising out of the provision of service under this Tariff shall be resolved in accordance with the procedures set forth in the Company's Dispute Resolution Plan.
- B. Provided that nothing herein is construed to delay or forestall Carrier's obligation to pay all Unpaid Charges pursuant to a Notice of Disconnection and all current charges by the Due Date as described in the Company's Dispute Resolution Plan, these Dispute Resolution provisions shall not be deemed to prevent either the Carrier or Company from seeking and obtaining temporary equitable remedies, including temporary restraining orders, if, in its judgment, such action is necessary to avoid irreparable harm. Despite any such action the Carrier will continue to participate in good faith in these Dispute Resolution provisions.