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PRIVATE LINE SERVICE

1. APPLICATION OF TARIFF

This tariff contains the regulations and rates applicable to private line service furnished for overseas or international communications by the PTI, hereinafter referred to as PTI, in conjunction with overseas correspondents.

The private line user may engage in resale of the international private line for the provision of a switched, basic telecommunications service upon authorization from the Commission Under Section 214 of the Communications Act of 1934, as amended, and provided that the private line is used only (1) on a route where the resale carrier exchanges switched traffic with a foreign carrier that the Commission has determined lacks market power, or (2) on any route for which the commission has authorized the provision of switched services over international private line.

2. DEFINITIONS

For the purposes of this tariff, the following definitions apply:

Authorized User: A person, firm or corporation authorized by the customer to be connected to private line service furnished to the customer for the purpose of communicating with the customer and relating solely to the business of the customer. Each authorized user must be specifically named in the application for service and station apparatus connected with the channel must be located on the premises.

Baud: A unit of signaling speed. It is the reciprocal of the time duration in seconds of the shortest signal element (mark or space) within a code signal. The speed in bauds is the number of signal elements per second.

Channel: A path (or paths) for electrical communication between two or more stations or operating offices.

Correspondent: The foreign administration or other company operating the terminals outside the Northern Mariana Islands.

Customer: A person, firm or corporation who orders the service and is responsible for the payment of all charges and compliance with PTI regulations.

Duplex Service: Service in which the channel is arranged for transmission in both directions simultaneously.

Half Duplex Service: Service in which the channel is arranged for transmission alternately in either direction or for communications in one direction only.

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Individual Case Basis: The term "Individual Case Basis" (ICB) denotes a condition where the regulations, if applicable, rates and charges for an offering under the provisions of this tariff are developed based on the circumstances in each case.

Maximum Termination Liability: The term "Maximum Termination Liability" (MTL) denotes the maximum amount of money for which the customer is liable in the event the service ordered are discontinued before a specified period of time.

Maximum Termination Liability Period: The term "Maximum Termination Liability Period" denotes the length of time the customer is liable for a termination charge in the event the service ordered is terminated.

Private Line: The channels, station terminals, channel arrangements and equipment furnished to a customer as a unit without intermediate equipment or arrangements such as channel switching arrangements or channel derivation devices.

Terminal: The operating central office of PTI in Saipan for the rendition of services as defined in this tariff or the central operating office of an overseas correspondent of PTI at an overseas point.

3. REGULATIONS

3.1 Undertaking of PTI

3.1.1 Scope

- (A) Private line service is the furnishing for the private use of customers and authorized users of the required facilities for direct transmission and reception of communications between specified locations.
- (B) Under this tariff, PTI offers the use of its facilities for private line service between customer premises and its terminal located on Saipan, Northern Mariana Islands on the one hand and terminals of its overseas correspondents on the other hand as set forth in the RATES section of this tariff.

PTI, acting as the customer's authorized agent, will make reasonable efforts to arrange for the necessary facilities abroad for customer's requesting service with overseas terminals operated by MTC's overseas correspondents.

- (C) PTI does not undertake to transmit messages.

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- (D) Service is available on a full time basis, 24 hours per day, seven days per week for a minimum period of one month except when ordered as temporary service.

3.1.2 Limitations

- (A) In furnishing service, PTI's responsibility is limited to furnishing of facilities within Saipan, Northern Mariana Islands and between its terminal and an appropriate satellite in space, which, when combined with the facilities provided by overseas correspondents will establish a communications path between the two terminals.
- (B) The use and restoration of service shall be in accordance with Part 64 Subpart D of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities. Subject to compliance with these rules, where a shortage of channels or equipment exists at any time either for temporary or protracted periods, the establishment of message toll telephone service shall take precedence over all other services.
- (C) The furnishing of service under this tariff will require certain physical arrangements of the channels and equipment of PTI and is therefore subject to the availability of such channels and equipment.
- (D) Private line service may be limited in order to comply with orders issued under wartime authority of the President of the United States. It may also be limited in the case of those private line services to, from or through a foreign country, by orders of the government of such country or by the United States Government.

3.1.3 Liability - In view of the fact that the customer or authorized user controls his communications over the facilities furnished him by PTI, and because errors and interruptions incident to the service and to the use of such facilities of PTI are unavoidable, private line service furnished by PTI is subject to the terms, conditions, and limitations herein stated.

- (A) The liability of PTI for damages arising out of mistakes, omissions, interruptions, delays or

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errors or defects in transmission occurring in the course of furnishing the service or facilities under this tariff and not caused by the negligence of the customer or authorized user, or of PTI in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistakes, omissions, interruptions, delays or errors in defect in transmission occurs.

- (B) PTI is not liable for any act or omission of its overseas correspondents furnishing a portion of the through service beyond an amount equal to PTI's proportionate charge to the customer for the period during which such act or omissions occur; nor shall PTI be liable for any damages or losses due to the fault or negligence of the customer or authorized user or to the failure of customer provided equipment or facilities.
- (C) PTI shall be indemnified and saved harmless by the customer and others against claims for libel, slander, or the infringement of copyright arising from the material transmitted over the private line services; against claims for infringement of patents arising from combining with or using in connection with private line service furnished by PTI, apparatus and systems of the customer; and against all other claims arising out of any act or omission of the customer or authorized user in connection with any facilities provided under this tariff.
- (D) No liability shall attach to PTI for any defacement or damages to the customer's or authorized user's premises resulting from the existence of PTI's terminal equipment, apparatus and associated wiring on such premise, or from the installation or removal thereof, when such defacement or damage is not the result of negligence or willful act of PTI.

3.1.4 Provision of Facilities

- (A) The overseas channels furnished by PTI in conjunction with the channels furnished by its overseas correspondents are communications paths suitable for the purpose furnished and are

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derived in such a manner as PTI and its correspondents may elect.

- (B) PTI will provide within the Northern Mariana Islands all equipment and facilities required to furnish private line service except that terminal equipment located on premises of the customer or authorized user may be provided by others. The terminal equipment furnished by others shall be so constructed, maintained and operated to work satisfactorily with the facilities furnished by PTI.
- (C) When the private line service is used for teletypewriter transmission, the teletypewriter equipment must operate at a line signalling speed not to exceed that specified for the channel furnished. Where the teletypewriter equipment is provided by others, it shall be the customer's responsibility to ensure the continuing compatibility of such equipment with the private line service furnished by PTI.
- (D) When the private line service is used for data transmissions which require data sets, such data sets may be provided by PTI or by others at the option of the customer, except that PTI shall furnish all data sets located in its terminal or central offices. When the data sets on a given private line service are provided by others, it shall be the responsibility of the customer to ensure the continuing compatibility of such data sets with the private line service furnished by PTI.

3.1.5 Special Construction

- (A) All rates and charges set forth in this tariff provide for the furnishing of service where suitable facilities are available. Where special construction of channel facilities is necessary, construction charges may apply.
- (B) Subject to the agreement by PTI, special construction of channel facilities may be undertaken at the request of the customer to meet the needs of the customer. Special construction is that construction undertaken:
  - (1) Where channel facilities are not available and there is no other requirement for the facilities constructed;

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- (2) Of a type other than that which PTI would normally use in the furnishing of its services;
- (3) In a quantity greater than that which PTI would normally construct to serve the customer's needs;
- (4) On an expedited basis;
- (5) On a temporary basis until permanent facilities are available;
- (6) Involving abnormal cost;
- (7) In advance of its normal construction.

3.2 Use of Service

3.2.1 Private line service may be used for the following purposes:

- (A) For the transmission of communications to or from the customer and relating directly to the customer's business.
- (B) For the transmission of communications to or from a person, firm, or corporation authorized by the customer to receive or send communications from or to the customer only and relating solely to the customer's business.

3.2.2 Private line service shall not be used for an unlawful purpose.

3.2.3 International private line service obtained from this tariff for the purpose of resale for the provision of third party services requires authorization from the Federal Communications Commission and a demonstration that the foreign government or administration affords equivalent resale opportunities.

3.2.4 Private line service may be used for different types of transmission simultaneously or on an alternate use basis as provided in 4.3 and such use may be obtained only in accordance with the provisions of that section.

3.3 Obligations of the Customer

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3.3.1 The customer shall be responsible for:

- (A) Placing all orders and payment of all charges for private line services offered herein.
- (B) The provision of power required to operate PTI facilities installed on the premises of the customer or authorized user and the provision of space and supporting structures where required.
- (C) The furnishing of stationery supplies such as rolled teletypewriter paper, printer tape and perforator tape that conform to the operating requirements of the equipment furnished. The customer is also responsible for such routine maintenance as keeping the type clean and insuring that rolled paper or tape is in place in the equipment.
- (D) Obtaining permission for PTI agents or employees to enter the premises of the customer or authorized user at any reasonable hour for the purpose of installing, inspecting, repairing or, upon termination of service, removing the facilities of PTI.
- (E) Making PTI facilities available periodically at a time agreeable to both the customer and PTI for tests and adjustments that may be necessary to maintain satisfactory service. No interruption allowance will be made to the customer for such a period.

3.3.2 The service or any rights associated therewith may not be assigned or in any manner transferred.

3.4 Payment Arrangements

3.4.1 Payment of Charges and Deposits

- (A) The customer is responsible for payment of all charges incurred by the customer or authorized user for private line services furnished to the customer. Charges are due when billed and are payable at PTI's office, at any other location designated by PTI or to a duly authorized collector of PTI. Billing for service will normally be for one month and as nearly as possible at regular intervals.

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- (B) Applicants for service provided herein, whose financial responsibility is not a matter of general knowledge or who are not connected in a substantial way with a firm, corporation or other concerns of established credit may be required to make an advance payment equal to at least one month's charges plus installation charges. In addition where the provision of service involves an abnormal investment, the applicant or customer may be required to make a prepayment of such portion of the estimated cost of the installation or construction as is to be borne by him. The amount of the advance payment will be credited to the customer's account as applying to the indebtedness of the customer for the service provided.
- (C) PTI, in order to safeguard its interests, may require an applicant or a customer to deposit a sum up to an amount equal to three times the monthly charges to be held by PTI as a guarantee of the payment of charges for services provided herein. The fact that a deposit has been made in no way relieves the applicant or customer from complying with PTI's regulations as to advance payments and the prompt payment of bills on presentation. At such time as the service is terminated, the amount of the deposit will be credited to the customer's account and any credit balance which may remain will be refunded. At the option of PTI, such deposit may be refunded or credited to the customer at any time prior to the termination of service. In case of a cash deposit, for the period the deposit is held by PTI, the customer will receive simple interest at the rate of 2.5% per annum unless a different rate has been established by the appropriate legal authority.

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3.4.2 Cancellation for Cause

- (A) PTI, by written notice to the customer, may immediately discontinue the furnishing of private line service without incurring any liability upon:
- (1) Nonpayment of any sum due PTI, or
  - (2) A violation of any condition governing the furnishing of service.



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3.4.3 Minimum and Fractional Rates and Charges

- (A) The minimum period for which private line service is furnished is one month. At the commencement of monthly service, no charge is made for the day on which the service is made available to the customer. However, upon discontinuance of service, the day on which the service is terminated is charged as a full day.
- (B) When service is furnished on a monthly basis, charges for a fractional part of a month which follows and is consecutive with a full month will be the proportionate part of the monthly charge using the same ratio that the actual number of days service is furnished bears to 30 days.
- (C) When a service is furnished on a temporary basis, the applicable charges for that service shall commence on the day service is furnished to the customer and will continue to accrue through and include the day on which service is discontinued.
- (D) When rates involve a fraction of a cent, the fraction is carried throughout the computation of the charge. When the computed charge includes a fraction of a cent, fractions of one-half cent or more are treated as one cent and fractions of less than one-half cent are disregarded.

3.4.4 Cancellation of an Application for Service

- (A) Installation or special construction of facilities for private line service is considered to have started when PTI incurs any cost which would not otherwise have been incurred.
- (B) Where the applicant cancels an application for service prior to the start of installation or special construction of facilities, no charge applies.
- (C) Where installation of facilities other than those provided by special construction has been started prior to the cancellation, the charge for the minimum period of the service ordered by the customer applies.
- (D) Where special construction of facilities has been started prior to the cancellation, and to the extent PTI has no other use for the specially constructed facilities, a charge equal to the

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costs incurred in the special construction prior to the date of cancellation less estimated net salvage applies.

3.5 Allowance for Interruptions

3.5.1 Credit allowances for service interruptions will be made as follows:

- (A) For the portion of the service furnished by PTI which is affected, no credit allowance is credited to the customer for interruptions of less than 30 minutes. Interruptions of 30 minutes or over are credited to the customer at the proportionate monthly charge in half hour multiples for each half hour or major fraction thereof of interruption.
- (B) When interruptions to service furnished by PTI are caused by a failure of the portion of the overseas facilities furnished by other carriers, credit will be allowed on the service furnished by PTI in accordance with 3.5.1 (A) for those interruptions for which the customer is entitled to an allowance on the overseas facilities in accordance with the tariff of the carrier providing a portion of the overseas facilities.

3.5.1 Credit allowances for service interruptions will be made as follows: (continued)

- (C) For the purpose of computing credit for interruptions, every month is considered to have 30 days and only the affected portions of the service will be considered in determining the proportionate monthly charge.

3.5.2 No credit allowance will be made for interruptions of service:

- (A) Due to the negligence of the customer or authorized user of the service.
- (B) During any period in which PTI is not afforded access to the premises at which the private line service is established for the purpose of investigating and clearing trouble.
- (C) During any period when the customer or authorized user has released a private line service to PTI

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for maintenance purposes or implementation of a customer order for a change in service arrangement.

- 3.5.3 When private line service is interrupted and message toll service is furnished at the customer's request, the message toll telephone service is charged for at the rates contained in PTI's Tariff F.C.C. No. 1.

3.6 Miscellaneous Rates and Charges

Carrier may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs. An example of such a program includes, but is not limited to, the Federal Universal Service Fund.

(a) Federal Universal Service Fee

Service provided pursuant to this tariff are subject to an undiscountable Federal Universal Service Fee, which is a recurring monthly charge equal to 6.8941% of the Customer's total net international and interstate charges after application of all applicable discounts and credits. (I)

Carrier will waive the Federal Universal Service Fee with respect to specifically identified Carrier charges to the extent that the Customer demonstrates to Carrier's reasonable satisfaction that it is acquiring Carrier's services for resale, i.e., not for its own internal use, and that it has qualified as an entity not subject to these charges by virtue of its having submitted information required by the Federal Communications Commission and its appointed Universal Service Administrator.

4. CLASSES OF CHANNELS

Private line service consisting of channels, service terminals, and channel arrangements are classified by types. The various types are described in terms of circuit characteristics and use.

Alternative or Simultaneous Use of Voice Grade Channels for Voice and Data or Other Non-Voice Communications

- 4.1 Channels furnished by PIT in connection with full period private line voice grade channels to the continental United States or to Guam may be used on an alternative use basis for voice and data transmission. The customer may switch the channels at will from voice operation to data operation, or vice versa, but only one type of use can be made at one time. When voice grade channels are used for data transmission, terminal equipment is required to condition signals operated by apparatus furnished by the customer to signals suitable for transmission on a channel and to condition signals received from such a channel to signals for delivery to apparatus furnished by the customer.

- 4.2 On private line service channels of voice grade furnished between Saipan, Northern Mariana Islands and Agana, Guam, customers by use of customer provided equipment and to the

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extent permitted by the normal transmission characteristics of the channel ordered, may create additional channels for simultaneous voice and non-voice communications. PTI makes no representation as to the suitability of the channels provided by it for subdivision into additional channels by the customer. The characteristics of terminal equipment at either end of the channel shall be such that its connection to the channel does not interfere with other services over the facilities used to provide private line service. In cases where additional protective equipment is required, this shall be at the expense of the customer.

- 4.3 The purpose or purposes for which private line service channel facilities are used must be made know to PTI prior to use.

5. Digital Service Between the Commonwealth of the Northern Mariana Island and Guam

- 5.1 PTI offers digital telecommunications service between its Susupe Toll test office in the Commonwealth of the Northern Mariana Islands (CNMI) and its point of presence at Suite B4, 1023 North Marine Drive, Upper Tumon, Guam via its wholly owned submarine fiber cable system between these two points.
- 5.2 Whole circuit rates for various contract term are provided in the Guam - Saipan Cable Digital Fiber Service Section.