PSC NO: 5 INTEREXCHANGE Frontier Communications of America, Inc. Initial Effective Date: June 5, 2003

SECTION IV - SPECIAL CHARGES, TAXES AND FEES continued

4.4 TAXES continued

4.4.2 Gross Revenue, Gross Income and Gross Earnings Surcharges

B. The surcharges imposed under (a) above shall be added to all charges for ecurring, non-recurring, minimum, usage surcharge or special charges for services, and together with all such charges, shall be subject to all sales, use, and excise taxes imposed by Section II, 4.1 above.

Section: 4 Leaf: 3

Superseding Revision:

Revision: 0

C. The applicable rates for the Surcharges listed in (a) above are shown on Statement 1 which is at the end of this section. Any changes to these rates will be filed on 15 days' notice to customers and the Commission and as directed by the Commission. Whenever the state levies a new tax on the company's gross revenues, the Commission may approve new surcharge factors, and the company will file a revised surcharge as directed by the Commission.

4.4.3 <u>Metropolitan Commuter Transportation District Tax Surcharge</u>

In the counties listed below, a surcharge will apply to recover additional expenses related to the Temporary Metropolitan Business Tax Surcharge and applies to all usage rates and charges, both recurring and non-recurring. The Metropolitan Commuter Transportation District Tax Surcharge will be itemized on the customer's bill as "New York Surcharge" and will be added to the current Gross Revenue surcharge.

NEW YORK CITY COUNTIES

Bronx County

Dutchess County

Kings County

Nassau County

New York County

Orange County

Queens County

Putnam County

Richmond County

Rockland County

Suffolk County

Westchester County