

#### 4. OBLIGATIONS OF THE CO-CARRIER

- 4.1 The Company may require each Co-Carrier to report to the Company the percentage of traffic that terminates on the Company's network which represents local usage. This Percent Local Usage ("PLU") report is needed to ensure accurate billing of local exchange calls and non-local exchange calls.
- 4.2 The Co-Carrier shall provide technical descriptions and forecasts of their interconnection and traffic requirements in sufficient detail to assure traffic completion to and from all customers within the exchange.
- 4.3 The Co-Carrier, with the Company, will cooperate to determine the performance of their respective networks and will implement joint management controls to further overall service integrity.
- 4.4 The Co-Carrier is responsible for the provisioning of facilities within its own network up to the Point of Interconnection ("POI").
- 4.5 The Co-Carrier is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) excluding taxes on the Company's net income, imposed on or based upon the provision, sale or use of Local Services. Any taxes imposed by a local jurisdiction (e.g., county and municipal taxes) will only be recovered from those Customers located in the affected jurisdictions.<sup>1</sup>

<sup>1</sup> Pending the conclusion of any challenge to a jurisdiction's or other entity's right to impose a gross receipts or other tax or other charge, the Company may elect to impose and collect a surcharge covering such taxes or other charges, unless otherwise constrained by court order or direction, or it may elect not to impose and collect the surcharge. If it has collected a surcharge and the challenged tax or charge is found to be invalid or unenforceable, the Company shall credit or refund such amounts to affected customers (less its reasonable administrative costs), if the funds collected were retained by the Company or if they were delivered over to the taxing jurisdiction or charging entity and returned to the Company.