33. Pricing Flexibility Contract Offerings

33.1 Contract Offering No. 1 – [1] Win-Back Discount Offer (D)

33.1.1 General Description

[1] Win-Back Discount Offer is an access discount plan that provides Customers with a discount on recurring rates for OC-3, OC-12, OC-48 and [1] services that meet the eligibility criteria described in Section 33.1.2 (C), below. Discounts vary based on the schedule below as explained in Section 33.1.4(C). This contract offering is only available in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) as listed in Section 33.1.3(B)(1). (D) (D)

33.1.2 Services Available Under [1] Win-Back Discount Offer

(A) [1] Win-Back Offer applies to pricing-flexibility-qualified access services contained in the following respective tariff sections when they meet the eligibility criteria: (D)

- Pacific Bell OC-3 SONET Ring and Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs
- Pacific Bell OC-12 SONET Ring and Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs
- Pacific Bell OC-48 SONET Ring and Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs (D)
- [1]

(B) All terms and conditions for the qualified services listed above are governed by the respective tariff sections except as noted herein.

(C) The following eligibility criteria must be met in order to receive the [1] Win-Back Offer discount: (D)

- Service must be a pricing flexibility qualified [1] service listed in 33.1.2(A)
- Service must be located in an MSA listed in 33.1.3(B)(1)
- Customer must convert a minimum of 3 DS3s or equivalent capacity service that is provided by a carrier other than Pacific Bell Telephone Company or one of its affiliates (either directly or through resale)
- Customer must present documentation described in 33.1.3(B)(3) to demonstrate that an equivalent capacity service is currently provided by a carrier other than Pacific Bell Telephone Company.

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 1 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.1 Contract Offering No. 1 - [1] Win-Back Discount Offer (Cont'd) (D)

33.1.2 Services Available Under [1] Win-Back Discount Offer (Cont'd) (D)

(C) The following eligibility criteria must be met in order to receive the [1] Win-Back Offer discount: (Cont'd)

- Customer must fill at least 50% of the capacity on a service provided under this [1] Win-Back Discount Offer with eligible Win-Back service. (D)

(D)

33.1.3 [1] Win-Back Discount Offer Terms and Conditions

(D)

(A) Term Period
The contract term is either three (3) or five (5) years commencing on the date that Customer service installation is completed by the Telephone Company. Billing commences five (5) days following the Telephone Company's completion of the service order. This offer is not renewable. At the expiration of Customer's contract term and if Customer elects to continue services, the Customer may select a payment option as described in Sections 7.5.13 and [1] for services purchased in Phase 1 MSAs or Sections 31.5.2.10 and [1] for services purchased in Phase 2 MSAs.

(D)

(B) Terms and Conditions (D)

(1) This contract offering is only available for circuits located in the following Metropolitan Statistical Areas:
- Phase 1 Pricing Flexibility MSAs: Los Angeles/Long Beach, California
- Phase 2 Pricing Flexibility MSAs: Sacramento, San Diego, San Francisco/Oakland and San Jose, California

(2) This contract offering is only available January 2, 2002 through April 2, 2002.
(3) Documentation required by the eligibility criteria described in 33.1.2(C) includes (but is not limited to) invoices, circuit detail records, or coordinated orders to move the service.
(4) If customer should discontinue this service during the term of this agreement termination charges will apply in accordance with Section 33.1.5.
(5) Customer agrees to order this service in accordance with the regulations set forth in Section 5.
(6) Customer may not migrate existing SBC provided services for at least six months from the date of the first bill onto services purchased under [1] Win-Back discount offer.

(D)

[1] See footnote (1) on page 33-1

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.1 Contract Offering No. 1 - [1] Win-Back Discount Offer (Cont'd) (D)

33.1.4 [1] Win-Back Discount Offer Billing Discounts (D)

(A) General
There are two types of [1] Win-Back Discounts available: (D)
(1) Discounts applied to non-MVP Customers as in Section 33.1.4(C)(1)
(2) Discounts applied to Customers who are MVP Customers as in Section 33.1.4(C)(2)

(B) Application

The discounts provided under this contract tariff commence with the first bill after the service has been installed and are applied as a credit toward the qualifying circuits on the Customer's access service bill. Monthly billing credits will be issued for every month the Customer maintains services purchased under the [1] Win-Back discount offer. (D)

(C) Term Discounts

(1) Discounts for Non-MVP Customers

These discounts are applied to the recurring rates for the [1] Win-Back services defined in Sections 7.5.13 and (D)
[1] for Phase 1 MSAs, or Sections 31.5.2.10 and [1] for (D)
Phase 2 MSAs. Discounts do not apply to the nonrecurring charges found in Sections 7.5.13 and [1] for (D)
Phase 1 MSAs, or Sections 31.5.2.10 and [1] for Phase 2 (D)
MSAs.

Service	36 Month Term	60 Month Term	
OC-3	3%	5%	
OC-12	5%	8%	
OC-48	7%	10%	
[1]	9%	12%	(D)

Example: A Customer meets the eligibility criteria for an OC-12 [1] located in a Phase 2 MSA and requests a 36 (D)
month term. The [1] system monthly rate is calculated (D)
based on the rates in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 31.5.2.10. For illustrative purposes assume the monthly rate is $10,000. The discount calculation is applied as follows: $10,000 X .05 = $500 discount. The Customer's bill would reflect the OC-12 SONET ring discount by charging a rate of $9,500.

[1] See footnote (1) on page 33-1

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33. Pricing Flexibility Contract Offering (Cont'd)

33.1 Contract Offering No. 1 - [1] Win-Back Discount Offer (Cont'd) (D)

33.1.4 [1] Win-Back Discount Offer Billing Discounts (Cont'd) (D)

(C) Term Discounts (Cont'd)

(2) Discounts for MVP Customers

MVP Customers will receive a 50% discount on recurring rates for the first two billing periods services taken under the [1] Win-Back Discount offer. In subsequent (D) months, MVP Customers will receive a [1] Win-Back (D) Discount Offer discount percentage equivalent to their current MVP discount percentage as defined in the MVP discount schedule contained in Section 22. [1] Win-Back (D) Discount Offer discounts do not apply to the nonrecurring charges found in Sections 7.5.13 and [1] (D) for Phase 1 MSAs, or Sections 31.5.2.10 and [1] for (D) Phase 2 MSAs. Revenues generated from this [1] Win-Back (D) Discount Offer do not apply to the Customer's committed monthly MARC contained in Section 22.3(C)1. Further, these revenues are not included in the Monthly Access Revenue as defined in Section 22.3(D). If the Customer elects to include the revenues from services purchased under the [1] Win-Back Discount Offer in their MARC re- (D) establishment calculation, no additional discounts will be provided on the Win-Back circuits. If the MVP Customer subscribing to this contract offering at any point during the contract term becomes a non-MVP Customer, the services purchased under the [1] Win-Back (D) Discount Offer will begin receiving the Win-Back discounts for non-MVP Customers as stated in Section 33.1.4 (C)(1) for the remaining Win-Back contract term.

Example: The MVP Customer subscribes to the [1] Win- (D) Back Discount Offer in April for an OC-3 SONET ring located in a Phase 2 MSA. The Customer is in the second year of the MVP contract receiving a discount of 11%. The OC-3 [1] first monthly bill begins in May. (D) The Customer’s bill in June will bill 50% of the monthly bill for the OC-3 ring for services provided in May. The Customer's bill in July will bill 50% of the monthly bill for the OC-3 ring for services provided in June. Beginning with the August bill the OC-3 ring would receive an 11% discount. The discount is based on the recurring monthly bill for the OC-3 ring as applied in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 31.5.2.10.

[1] See footnote (1) on page 33-1

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33. Pricing Flexibility Contract Offering (Cont'd)

33.1 Contract Tariff No. 1 - [1] Win-Back Discount Offer (Cont'd) (D)

33.1.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If a Customer terminates services before the completion of the term for any reason whatsoever other than a service interruption, the Customer agrees to pay to the Telephone Company termination liability charges described below. These charges shall become due as of the effective date of the cancellation or termination and are payable as described in Section 7.4.16. Customer's termination liability for cancellation of service shall be equal to:

(A) All nonrecurring charges associated with services purchased under the [1] Win-Back Discount Offer that were (D)
waived in accordance with Section 7.5.13, Section [1],
Section 31.5.2.10 and Section [1] must be re-paid, plus; (D)

(B) 50% of all recurring charges for the balance of the Customer's term.

The termination charge for all payment plan terms will be calculated as follows:

(monthly recurring rate) multiplied by (months remaining in billing) multiplied by (termination percentage of fifty percent)

Example:A Customer with a $20,000 monthly rate terminates service after two years and has twelve months remaining in a three-year term payment plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination charge.

[1] See footnote (1) on page 33-1

33. Pricing Flexibility Contract Offerings

33.2 Contract Offering No. 2 – [1] Win-Back Discount Offer (D)

33.2.1 General Description

[1] Win-Back Discount Offer is an access discount plan that provides Customers with a discount on recurring rates for OC-3, OC-12, OC-48 and [1] services that meet the eligibility criteria described in Section 33.2.2 (C), below. Discounts vary based on the schedule below as explained in Section 33.2.4(C). This contract offering is only available in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) as listed in Section 33.2.3(B)(1). (D)

33.2.2 Services Available Under [1] Win-Back Discount Offer (D)

(A) [1] Win-Back Offer applies to pricing-flexibility-qualified access services contained in the following respective tariff sections when they meet the eligibility criteria: (D) (D)
- Pacific Bell OC-3 SONET Ring and Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs
- Pacific Bell OC-12 SONET Ring and Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs
- Pacific Bell OC-48 SONET Ring and Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs
- [1] (D)

(B) All terms and conditions for the qualified services listed above are governed by the respective tariff sections except as noted herein.

(C) The following eligibility criteria must be met in order to receive the [1] Win-Back Offer discount: (D)
- Service must be a pricing flexibility qualified [1] service listed in 33.2.2(A)
- Service must be located in an MSA listed in 33.2.3(B)(1)
- Customer must convert a minimum of 3 DS3s or equivalent capacity service that is provided by a carrier other than Pacific Bell Telephone Company or one of its affiliates (either directly or through resale)
- Customer must present documentation described in 33.2.3(B)(3) to demonstrate that an equivalent capacity service is currently provided by a carrier other than Pacific Bell Telephone Company.

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 2 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.2 Contract Offering No. 2 - [1] Win-Back Discount Offer (Cont'd) (D)

33.2.2 Services Available Under [1] Win-Back Discount Offer (Cont'd) (D)

(C) The following eligibility criteria must be met in order to receive the [1] Win-Back Offer discount: (Cont'd) (D)

- Customer must fill at least 50% of the capacity on a service provided under this [1] Win-Back Discount Offer with eligible Win-Back service. (D)

33.2.3 [1] Win-Back Discount Offer Terms and Conditions

(A) Term Period
The contract term is either three (3) or five (5) years commencing on the date that Customer service installation is completed by the Telephone Company. Billing commences five (5) days following the Telephone Company's completion of the service order. This offer is not renewable. At the expiration of Customer's contract term and if Customer elects to continue services, the Customer may select a payment option as described in Sections 7.5.13 and [1] for services purchased in Phase 1 MSAs or Sections 31.5.2.10 and [1] for services purchased in Phase 2 MSAs. (D) (D)

(B) Terms and Conditions
(1) This contract offering is only available for circuits located in the following Metropolitan Statistical Areas:
- Phase 1 Pricing Flexibility MSAs: Los Angeles/Long Beach, California
- Phase 2 Pricing Flexibility MSAs: Sacramento, San Diego, San Francisco/Oakland and San Jose, California

(2) This contract offering is only available April 30, 2002 through July 28, 2002.
(3) Documentation required by the eligibility criteria described in 33.2.2(C) includes (but is not limited to) invoices, circuit detail records, or coordinated orders to move the service.
(4) If customer should discontinue this service during the term of this agreement termination charges will apply in accordance with Section 33.2.5.
(5) Customer agrees to order this service in accordance with the regulations set forth in Section 5.
(6) Customer may not migrate existing SBC provided services for at least six months from the date of the first bill onto services purchased under [1] Win-Back discount offer. (D)

[1] See footnote (1) on page 33-6

33. Pricing Flexibility Contract Offerings (Cont'd)

33.2 Contract Offering No. 2 - [1] Win-Back Discount Offer (Cont'd) (D)

33.2.4 [1] Win-Back Discount Offer Billing Discounts (D)

(A) General

There are two types of [1] Win-Back Discounts available: (D)

(1) Discounts applied to non-MVP Customers as in Section 33.2.4(C)(1)

(2) Discounts applied to Customers who are MVP Customers as in Section 33.2.4(C)(2)

(B) Application

The discounts provided under this contract tariff commence with the first bill after the service has been installed and are applied as a credit toward the qualifying circuits on the Customer's access service bill. Monthly billing credits will be issued for every month the Customer maintains services purchased under the [1] Win-Back discount offer. (D)

(C) Term Discounts

(1) Discounts for Non-MVP Customers

These discounts are applied to the recurring rates for the [1] Win-Back services defined in Sections 7.5.13 and [1] for Phase 1 MSAs, or Sections 31.5.2.10 and [1] for Phase 2 MSAs. Discounts do not apply to the nonrecurring charges found in Sections 7.5.13 and [1] for Phase 1 MSAs, or Sections 31.5.2.10 and [1] for Phase 2 MSAs. (D)(D)(D)(D)

Service	36 Month Term	60 Month Term	
OC-3	5%	8%	
OC-12	7%	11%	
OC-48	9%	13%	
[1]	11%	15%	(D)

Example: A Customer meets the eligibility criteria for an OC-3 [1] located in a Phase 2 MSA and requests a 36 month term. The [1] system monthly rate is calculated based on the rates in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 31.5.2.10. For illustrative purposes assume the monthly rate is \$10,000. The discount calculation is applied as follows: \$10,000 X .05 = \$500 discount. The Customer's bill would reflect the OC-3 [1] discount by charging a rate of \$9,500. (D)(D)(D)

[1] See footnote (1) on page 33-6

33. Pricing Flexibility Contract Offering (Cont'd)

33.2 Contract Offering No. 2 - [1] Win-Back Discount Offer (Cont'd) (D)

33.2.4 [1] Win-Back Discount Offer Billing Discounts (Cont'd) (D)

(C) Term Discounts (Cont'd)

(2) Discounts for MVP Customers

MVP Customers will receive a 50% discount on recurring rates for the first two billing periods services taken under the [1] Win-Back Discount offer. In subsequent (D)
months, MVP Customers will receive a [1] Win-Back (D)
Discount Offer discount percentage equivalent to their current MVP discount percentage as defined in the MVP discount schedule contained in Section 22. [1] Win-Back (D)
Discount Offer discounts do not apply to the nonrecurring charges found in Sections 7.5.13 and [1] (D)
for Phase 1 MSAs, or Sections 31.5.2.10 and [1] for (D)
Phase 2 MSAs. Revenues generated from this [1] Win-Back (D)
Discount Offer do not apply to the Customer's committed monthly MARC contained in Section 22.3(C)1. Further, these revenues are not included in the Monthly Access Revenue as defined in Section 22.3(D). If the Customer elects to include the revenues from services purchased under the [1] Win-Back Discount Offer in their MARC re- (D)
establishment calculation, no additional discounts will be provided on the Win-Back circuits. If the MVP Customer subscribing to this contract offering at any point during the contract term becomes a non-MVP Customer, the services purchased under the [1] Win-Back (D)
Discount Offer will begin receiving the Win-Back discounts for non-MVP Customers as stated in Section 33.2.4 (C)(1) for the remaining Win-Back contract term.

Example: The MVP Customer subscribes to the [1] Win- (D)
Back Discount Offer in April for an OC-3 [1] located in (D)
a Phase 2 MSA. The Customer is in the second year of the MVP contract receiving a discount of 11%. The OC-3 [1] first monthly bill begins in May. The Customer’s (D)
bill in June will bill 50% of the monthly bill for the OC-3 ring for services provided in May. The Customer's bill in July will bill 50% of the monthly bill for the OC-3 ring for services provided in June. Beginning with the August bill the OC-3 ring would receive an 11% discount. The discount is based on the recurring monthly bill for the OC-3 ring as applied in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 31.5.2.10.

[1] See footnote (1) on page 33-6

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33. Pricing Flexibility Contract Offering (Cont'd)

33.2 Contract Tariff No. 2 - [1] Win-Back Discount Offer (Cont'd) (D)

33.2.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If a Customer terminates services before the completion of the term for any reason, the Customer agrees to pay to the Telephone Company termination liability charges described below. These charges shall become due as of the effective date of the cancellation or termination and are payable as described in Section 7.4.16. Customer's termination liability for cancellation of service shall be equal to:

(A) All nonrecurring charges associated with services purchased under the [1] Win-Back Discount Offer that were (D)
waived in accordance with Section 7.5.13, Section [1], (D)
Section 31.5.2.10 and Section [1] must be re-paid, plus; (D)

(B) 50% of all recurring charges for the balance of the Customer's term.

The termination charge for all payment plan terms will be calculated as follows:

(monthly recurring rate) multiplied by (months remaining in billing) multiplied by (termination percentage of fifty percent)

Example:A Customer with a $20,000 monthly rate terminates service after two years and has twelve months remaining in a three-year term payment plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination charge.

[1] See footnote (1) on page 33-6

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.3 Contract Offering No. 3 – OC-48 SONET Ring Access Service (SRAS) Offer (N)

33.3.1 General Description

OC-48 SRAS Offer is an access discount plan that permits customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates in Section 33.3.4 for OC-48 SRAS that meet the eligibility criteria described in Section 33.3.2(B), below. This contract offering is available in the MSAs listed in Section 33.3.3(B).

33.3.2 Services Available Under OC-48 SRAS Offer

(A) OC-48 SRAS Offer applies to pricing-flexibility-qualified access services contained in the following tariff section:

- Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) The following eligibility criteria must be met in order to receive the OC-48 SRAS Offer discount:

- Service must be a pricing-flexibility-qualified service listed in Section 33.3.2 (A);
- Service must be located in an MSA listed in Section 33.3.3(B);
- Service must be for new installation orders only.

33.3.3 OC-48 SRAS Offer Terms and Conditions

(A) Term Period

The contract term is three (3) years or five (5) years commencing on the date billing begins. Billing commences no more than five (5) days following the Telephone Company's completion of the service order. This offer is not renewable.

If at the expiration of Customer's contract term Customer elects to continue service, Customer shall select from payment options in Section 7.4.16, or the Customer will be billed the monthly extension rate as described in Section 33.3.4. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.3 Contract Offering No. 3 – OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.3 OC-48 SRAS Offer Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

Rate stability under this contract term applies only to the rates specific to OC-48 SRAS Offer. Purchase of the services listed above under OC-48 SRAS Offer is also subject to certain rates and charges in other sections of this tariff as applicable and as such rates and charges may be modified through the filing of tariff changes at any time during the term of the services. (N)

Purchases of the services listed above under OC-48 SRAS Offer are subject to the specific terms and conditions of this Section 33.3. These specific terms and conditions will not change during the term of the services without Commission authorization. Purchases of the services listed above under OC-48 SRAS Offer are also subject to general terms and conditions of FCC Tariff No. 1 and such terms and conditions may be modified through the filing of tariff changes at any time during the term of the service. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.3 Contract Offering No. 3 – OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.3 OC-48 SRAS Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This contract offering is only available for circuits located in the following Metropolitan Statistical Areas: (N)

- Phase 2 Pricing Flexibility MSAs: Los Angeles/Long Beach, Sacramento, San Diego, and San Francisco/Oakland, and San Jose California

(2) This contract offering is only available September 20, 2002 through December 31, 2002.

(3) If Customer should discontinue this service during the term of this agreement, termination charges will apply in accordance with Section 33.3.5.

(4) Customer agrees to subscribe to this service in accordance with the regulations set forth in Section 5.

(5) Customer shall subscribe to the service listed in Section 33.3.2 (A) for a newly installed OC-48 SRAS with a (3) three or five (5) year term in order to be eligible for this contract offering.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.3 Contract Offering No. 3–OC-48 SONET Ring and Access Service SRAS Offer (Cont'd)

33.3.4 Rates and Charges

(A) OC-48 SRAS Rate Table

(N)

		MONTHLY		
OC-48 SRAS	USOC	3 Year	5 Year	NRC
Mileage- Dedicated Ring-Per interoffice mile				
-2.4 Gbps 0-10 miles	1L5XX/1L8XX		None	
Over 10 miles	1L5XX/1L8XX		325.00	
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF3	800.00		150.00
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FEXFX/DEDF5		700.00	None
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL3	1,600.00		150.00
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL5		1,400.00	None
Alternate Wire Center – per CO Node to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA3	2,100.00		150.00
Alternate Wire Center – per CO to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA5		1,750.00	None
Nodes CO and Premises				
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC3	4,450.00		3,000.00
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC5		3,400.00	None
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD3	5,200.00		3,000.00
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD5		4,250.00	None
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN3	900.00		3,000.00
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN5		800.00	None
Premises Access Ports				
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB5		1,400.00	None
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB3	1,650.00		350.00 First 175.00 Add'l
Administrative charge per order	ORCMX			60.00
Design and Central Office Connection Charge, per ring	NRBCL			600.00

(N)

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33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.4 Rates and Charges (Cont'd)

(N)

	USOC	Monthly Rates	Nonrecurring Charges 1st	Nonrecurring Charges Add'l
(B) Premises Access Ports				
- per port				
Month-to-Month				
622 Mbps (OC12c)	FP6TX/LSAUM	$2,000.00	$700.00	$350.00
622 Mbps (OC12)	FP6TX/LSAUM	$2,000.00	$700.00	$350.00
155.5 Mbps (OC3c)	FP6OX/LSAOM	675.00	700.00	350.00
155.5 Mbps (OC3)	FP6OX/LSAOM	675.00	700.00	350.00
45 Mbps (DS3)	FP6BX/LSA3M	330.00	700.00	350.00
1.5 Mbps (DS1)	FP6AX/LSA1M	90.00	700.00	350.00
3 Year Plan				
622 Mbps (OC12c)	FP6TX/LSAU3	$1,700.00	$350.00	$175.00
622 Mbps (OC12)	FP6TX/LSAU3	$1,700.00	$350.00	$175.00
155.5 Mbps (OC3c)	FP6OX/LSAO3	460.00	350.00	175.00
155.5 Mbps (OC3)	FP6OX/LSAO3	460.00	350.00	175.00
45 Mbps (DS3)	FP6BX/LSA33	230.00	350.00	175.00
1.5 Mbps (DS1)	FP6AX/LSA13	60.00	350.00	175.00
5 Year Plan				
622 Mbps (OC12c)	FP6TX/LSAU5	$1,500.00	None	None
622 Mbps (OC12)	FP6TX/LSAU5	$1,500.00	None	None
155.5 Mbps (OC3c)	FP6OX/LSAO5	390.00	None	None
155.5 Mbps (OC3)	FP6OX/LSAO5	390.00	None	None
45 Mbps (DS3)	FP6BX/LSA35	145.00	None	None
1.5 Mbps (DS1)	FP6AX/LSA15	45.00	None	None

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.4 Rates and Charges (Cont'd)

	USOC	Monthly Rates	Nonrecurring Charges 1st	Nonrecurring Charges Add'l
(C) Central Office Access Ports - per port				
Month-to-Month				
622 Mbps (OC12/c)	FC6TX/LSALM	$2,000.00	$600.00	$300.00
155 Mbps (OC3/c-48)	FC6UX/LSA4M	675.00	600.00	300.00
155 Mbps (OC3/c-12)	FC6VX/LSACM	335.00	600.00	300.00
51 Mbps (STS1 hardwired)	FC6WX/LSADM	250.00	600.00	300.00
51 Mbps (STS1/DS3)	FC6YX/LSASM	250.00	600.00	300.00
51 Mbps (STS1/DS1s)	FC64X/LSAWM	900.00	600.00	300.00
3 Year Plan				
622 Mbps s(OC12/c)	FC6TX/LSAL3	$1,700.00	$300.00	$150.00
622 Mbps (OC12)	FC6ZX/LSAT3	525.00	300.00	150.00
155 Mbps (OC3/c-48)	FC6UX/LSA43	475.00	300.00	150.00
155 Mbps (OC3/c-12)	FC6VX/LSAC3	235.00	300.00	150.00
51 Mbps (STS1 hardwired)	FC6WX/LSAD3	175.00	300.00	150.00
51 Mbps (STS1/DS3)	FC6YX/LSAS3	175.00	300.00	150.00
51 Mbps (STS1/DS1s)	FC64X/LSAW3	650.00	300.00	150.00 (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.4 Rates and Charges (Cont'd)

(N)

(C) Central Office Access Ports (Cont'd)

- per port (Cont'd)

5 Year Plan

	USOC	Monthly Rates	Nonrecurring Charges 1st	Nonrecurring Charges Add'l
622 Mbps (OC12/c)	FC6TX/LSAL5	$1,500.00	None	None
622 Mbps (OC12)	FC6ZX/LSAT5	450.00	None	None
155 Mbps (OC3/c-48)	FC6UX/LSA45	400.00	None	None
155 Mbps (OC3/c-12)	FC6VX/LSAC5	200.00	None	None
51 Mbps (STS1 hardwired)	FC6WX/LSAD5	150.00	None	None
51 Mbps (STS1/DS3)	FC6YX/LSAS5	125.00	None	None
51 Mbps (STS1/DS1s)	FC64X/LSAW5	550.00	None	None

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.4 Rates and Charges (Cont'd)

(N)

	USOC	Monthly Rates	Nonrecurring Charges 1st	Add'l
(D) Primary Node Link				
-per Link				
3 Year Plan				
622 Mbps (STS12)	NBPZX/PNLG3	$2,200.00	$400.00	$200.00
155 Mbps (OC3/c-48)	NBPUX/PNLF3	1,650.00	400.00	200.00
155 Mbps (OC3-c12)	NBPVX/PNLE3	1,300.00	400.00	200.00
51 Mbps (STS1 hardwired)	NBPWX/PNLB3	650.00	400.00	200.00
51 Mbps (STS1/DS3)	NBPYX/PNLD3	650.00	400.00	200.00
51 Mbps (STS1/DS1)	NBP4X/PNLC3	1,100.00	400.00	200.00
5 Year Plan				
622 Mbps (STS12)	NBPZX/PNLG5	$1,900.00	None	None
155 Mbps (OC3/c-48)	NBPUX/PNLF5	1,400.00	None	None
155 Mbps (OC3-c12)	NBPVX/PNLE5	1,100.00	None	None
51 Mbps (STS1 hardwired)	NBPWX/PNLB5	550.00	None	None
51 Mbps (STS1/DS3)	NBPYX/PNLD5	550.00	None	None
51 Mbps (STS1/DS1)	NBP4X/PNLC5	950.00	None	None

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.4 Rates and Charges (Cont'd)

(E) Optional Features and Functions (N)

(1) Central Office

Multiplexing

-per arrangement

DS1 - DS0	USOC	Monthly Rates	Nonrecurring
DS1C to DS1			
-Per arrangement	MXH++	ICB**	None
DS1 or Fiber Advantage^{sm} DS1 to Voice/Digital*			
- Per arrangement			
Zone 1	MQ1/MQ2***	$175.00	None
Zone 2	MQ1/MQ2***	175.00	None
Zone 3	MQ1/MQ2***	175.00	None
DS3 - DS1			
Month to Month	MQ3/MQ3XM	$500.00	
3 Year Plan	MQ3/MQ3X3	330.00	
5 Year Plan	MQ3/MQ3X5	200.00	

(N)

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33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.4 Rates and Charges (Cont'd)

(N)

	USOC	Nonrecurring Charges 1st	Nonrecurring Charges Add'l
(E) Optional Features and Functions (Cont'd)			
(2) Rollover			
- Per point of termination (same location)			
DS1	NRBRH/NRBR1/SVR*	$230.00	$206.00
DS3	NRBR3/SVR	230.00	206.00
OC3c	NRBR3/SVR	230.00	206.00
- Per point of termination (location of termination changes)			
DS1	NRBR0/SVRE1/SVRPT**	427.00	321.00
DS3	NRBR0/SVRE1/SVRPT**	427.00	321.00
OC3c	NRBR0/SVRE1/SVRPT**	427.00	321.00

(N)

* NRBR1 and NRBRH are used in CABS, SVR is used in CRIS.
** NRBR0 is used in CABS, SVRE1 and SVRPT are used in CRIS.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3 – OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.5 Termination Liability (N)

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If Customer terminates services before the completion of the term for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination and are payable as described in Section 7.4.16. Customer's termination liability for cancellation of service shall be equal to:

50% of all recurring charges for the balance of the Customer's three(3) or five (5) year term.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $20,000 monthly rate terminates service after two years and has twelve months remaining in a three year term plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination liability charge. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.6 Definitions

(N)

The following definitions describe connections for Primary Node Links and Central Office Access Ports.

STS1/DS1: provides for 28 DS1 (Local Loop Access Links-copper or Fiber Advantage) services from the customer's premises to the central office Digital Crossconnect System onto the STS-1 interface.

STS1/ DS3: provides for DS3 to DS3 crossconnect of Local Loop Access Links or Fiber Advantage service from the customer's premises to the central office onto the STS-1 interface.

STS1 hardwired for DS3: provides for DS3 services from the customer premises through the central office bypassing all electronic crossconnect equipment (Capacity is one DS3).

OC3/c-12: provides for 155 Mbps bandwidth services from the customer's premises to the central office on a Dedicated OC12 Ring with an optical interface (LSAC+).

OC3/c-48: provides for 155 Mbps bandwidth services from the customer's premises to the central office on a Dedicated OC48 ring with an optical interface (LSA4+).

OC12: provides 622 Mbps bandwidth service to interconnect two SONET rings on an optical interface (LSAT+).

OC12c-48: provides 622 Mbps bandwidth services from the customer's premises to the central office on a Dedicated OC48 Ring with an optical interface (LSAL+).

OC-12/c: provides 622 Mbps Broadband Circuit Service bandwidth from customer's premises to the central office with an optical interface (LSAL+).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.3 Contract Offering No. 3-OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.3.6 Definitions (Cont'd)

(N)

The following definitions describe connections for Premise Access Ports:

DS1: provides 1.544 Mbps bandwidth service at the customer's premise node mapping it onto the STS1 interface (LSA1+).

DS3: provides 45 Mbps bandwidth service at the customer's premise node mapping it onto the STS1 interface (LSA3+).

OC3c: provides 155 Mbps bandwidth concatenated services at the customer's premise with an optical, non-protected interface (LSAO+).

OC12c: provides 622 Mbps bandwidth concatenated services at the customer's premise with an optical, non-protected interface (LSAU+).

OC3/c: provides 155 Mbps Broadband Circuit Service at the customer's premise with an optical, non-protected interface (LSAO+).

OC12/c: provides 622 Mbps Broadband Circuit Service at the customer's premise with an optical, non-protected interface (LSAU+). (N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 4 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-24

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33. [1] (D)

[1] See footnote (1) on page 33-24

33. [1] (D)

[1] See footnote (1) on page 33-24

33. [1] (D)

[1] See footnote (1) on page 33-24

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term

33.5.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3 (D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term (Cont'd)

33.5.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Los Angeles-Long Beach, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA (N)
- San Jose, CA

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term (Cont’d)

33.5.2 Contract Terms

(A) Contract Offering No. 5 is available during the purchase period which begins October 5, 2002 and ends December 31, 2002.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer’s initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 5.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2 (A), the Design Change Charge described in 5.2.2 (B) and the Expedited Order Charge described in 5.2.2 (C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 5 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term (Cont'd)

33.5.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 5 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 5 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 5 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 5 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 5.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 5 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.5.2 (L). The termination charge for Contract Offering No. 5 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 5 terminated and the termination charges described in 33.5.2 (J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.5.3 (B).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term (Cont'd)

33.5.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 5 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.5.2 (J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 5 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 5, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 5.

(M) Contract Offering No. 5 is not available as a Fiber Advantage DS1 service.

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 5 terminated. If Contract Offering No. 5 is terminated during the initial contract term, the termination charges described in 33.5.2 (J) apply. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term (Cont'd)

33.5.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.5.1 (B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8 (B) and the Service Rearrangement Charge reflected in 33.5.3 (B) applies.

33.5.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.5 Contract Offering No. 5 – Access Advantage Plus Transport Service – One Year Term (Cont'd)

33.5.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term

33.6.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3 (D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.6.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Los Angeles-Long Beach, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.6.2 Contract Terms

(A) Contract Offering No. 6 is available during the purchase period which begins October 5, 2002 and ends December 31, 2002.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 6.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2 (A), the Design Change Charge described in 5.2.2 (B) and the Expedited Order Charge described in 5.2.2 (C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 6 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.6.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 6 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 6 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 6 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 6 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 6.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 6 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.6.2 (L). The termination charge for Contract Offering No. 6 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 6 terminated and the termination charges described in 33.6.2 (J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.6.2 (B). (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.6.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 6 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.6.2 (J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 6 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 6, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 6.

(M) Contract Offering No. 6 is not available as a Fiber Advantage DS1 service.

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 6 terminated. If Contract Offering No. 6 is terminated during the initial contract term, the termination charges described in 33.6.2 (J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.6.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.6.1 (B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8 (B) and the Service Rearrangement Charge reflected in 33.6.3 (B) applies.

33.6.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.6 Contract Offering No. 6 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.6.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$500.00	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term

33.7.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3 (D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.7.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Los Angeles-Long Beach, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.7.2 Contract Terms

(A) Contract Offering No. 7 is available during the purchase period which begins October 5, 2002 and ends December 31, 2002.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 7.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2 (A), the Design Change Charge described in 5.2.2 (B) and the Expedited Order Charge described in 5.2.2 (C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3 (B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 7 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.7.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 7 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 7 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 7 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 7 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 7.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 7 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.7.2 (L). The termination charge for Contract Offering No. 7 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.7.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 7 terminated and the termination charges described in 33.7.2 (J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 7 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.7.2 (J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 7 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 7, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 7.

(M) Contract Offering No. 7 is not available as a Fiber Advantage DS1 service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.7.2 Contract Terms (Cont'd)

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 7 terminated. If Contract Offering No. 7 is terminated during the initial contract term, the termination charges described in 33.7.2 (J) apply.

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.7.1 (B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8 (B) and the Service Rearrangement Charge reflected in 33.7.3 (B) applies. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.7 Contract Offering No. 7 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.7.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$250.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term

33.8.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3 (D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.8.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Los Angeles-Long Beach, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA (N)
- San Jose, CA

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term (Cont’d)

33.8.2 Contract Terms

(A) Contract Offering No. 8 is available during the purchase period which begins January 1, 2003 and ends June 30, 2003.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer’s initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 8.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2 (A), the Design Change Charge described in 5.2.2 (B) and the Expedited Order Charge described in 5.2.2 (C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 8 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.8.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 8 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 8 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 8 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 8 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 8.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 8 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.8.2 (L). The termination charge for Contract Offering No. 8 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 8 terminated and the termination charges described in 33.8.2 (J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.8.3 (B).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.8.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 8 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.8.2 (J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 8 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 8, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 8.

(M) Contract Offering No. 8 is not available as a Fiber Advantage DS1 service.

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 8 terminated. If Contract Offering No. 8 is terminated during the initial contract term, the termination charges described in 33.8.2 (J) apply.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.8.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.8.1 (B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8 (B) and the Service Rearrangement Charge reflected in 33.8.3 (B) applies.

33.8.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.8 Contract Offering No. 8 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.8.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 – Access Advantage Plus Transport Service – Two Year Term

33.9.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3 (D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 - Access Advantage Plus Transport Service - Two Year Term (Cont'd)

33.9.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 - Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 - Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 - Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Los Angeles-Long Beach, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA (N)
- San Jose, CA

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.9.2 Contract Terms

(A) Contract Offering No. 9 is available during the purchase period which begins January 1, 2003 and ends June 30, 2003.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 9.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2 (A), the Design Change Charge described in 5.2.2 (B) and the Expedited Order Charge described in 5.2.2 (C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 9 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.9.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 9 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 9 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 9 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 9 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 9.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 9 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.9.2 (L). The termination charge for Contract Offering No. 9 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 9 terminated and the termination charges described in 33.9.2 (J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.9.2 (B). (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.9.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 9 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.9.2 (J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 9 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 9, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 9.

(M) Contract Offering No. 9 is not available as a Fiber Advantage DS1 service.

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 9 terminated. If Contract Offering No. 9 is terminated during the initial contract term, the termination charges described in 33.9.2 (J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.9.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.9.1 (B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8 (B) and the Service Rearrangement Charge reflected in 33.9.3 (B) applies.

33.9.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.9 Contract Offering No. 9 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.9.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service – Three Year Term

33.10.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3 (D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.10.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Los Angeles-Long Beach, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA (N)
- San Jose, CA

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.10.2 Contract Terms

(A) Contract Offering No. 10 is available during the purchase period which begins January 1, 2003 and ends June 30, 2003.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 10.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2 (A), the Design Change Charge described in 5.2.2 (B) and the Expedited Order Charge described in 5.2.2 (C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3 (B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 10 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.10.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 10 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 10 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 10 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 10 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 10.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 10 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.10.2 (L). The termination charge for Contract Offering No. 10 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.10.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 10 terminated and the termination charges described in 33.10.2 (J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 10 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.10.2 (J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 10 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 10, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 10.

(M) Contract Offering No. 10 is not available as a Fiber Advantage DS1 service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.10.2 Contract Terms (Cont'd)

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 10 terminated. If Contract Offering No. 10 is terminated during the initial contract term, the termination charges described in 33.10.2 (J) apply.

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.10.1 (B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8 (B) and the Service Rearrangement Charge reflected in 33.10.3 (B) applies. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.10 Contract Offering No. 10 – Access Advantage Plus Transport Service --- Three Year Term (Cont'd)

33.10.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$250.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (N)

33.11.1 General Description

OC-48 SRAS CO Renewal Offer is an access discount plan that permits customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates in Section 33.11.4 for renewal of existing OC-48 SRAS that meet the eligibility criteria described in Section 33.11.2(B), below. This contract offering is available in the MSAs listed in Section 33.11.3(B).

33.11.2 Services Available Under OC-48 SRAS CO Renewal Offer

(A) OC-48 SRAS CO Renewal Offer applies to pricing-flexibility-qualified access services contained in the following tariff section:
- Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) The following eligibility criteria must be met in order to receive the OC-48 SRAS CO Renewal Offer discount:
- Service must be a pricing-flexibility-qualified service listed in Section 33.11.4 (A);
- Service must be located in an MSA listed in Section 33.11.3(B);
- Only existing services are eligible for this renewal offer;
- Customer need not currently be subscribing to a five-year plan but the renewal must be for five years only;
- Customer's term plan to be renewed must have expired in 2002.

33.11.3 OC-48 SRAS CO Renewal Offer Terms and Conditions

(A) Term Period
The contract term is five (5) years commencing on the date billing for the renewal period begins. Billing commences no more than five (5) days following the Telephone Company's completion of the service order.

If at the expiration of Customer's contract term Customer elects to continue service, Customer shall select from payment options in Section 7.4.16 and be subject to the rates in Section 31.5.2.10, or the Customer will be billed the monthly extension rate as described in Section 33.11.4. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.11.3 OC-48 SRAS CO Renewal Offer Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

Rate stability under this contract term applies only to the rates specific to OC-48 SRAS CO Renewal Offer. Purchase of the services listed above under OC-48 SRAS CO Renewal Offer is also subject to certain rates and charges in other sections of this tariff as applicable and as such rates and charges may be modified through the filing of tariff changes at any time during the term of the services. (N)

Purchases of the services listed above under OC-48 SRAS CO Renewal Offer are subject to the specific terms and conditions of this Section 33.11.3(B). These specific terms and conditions will not change during the term of the services without Commission authorization. Purchases of the services listed above under OC-48 SRAS CO Renewal Offer are also subject to general terms and conditions of FCC Tariff No. 1 and such terms and conditions may be modified through the filing of tariff changes at any time during the term of the services. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.11.3 OC-48 SRAS CO Renewal Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This contract offering is only available for circuits located in the following Metropolitan Statistical Areas: (N)

- Phase 2 Pricing Flexibility MSAs: Los Angeles/Long Beach, Sacramento, San Diego, and San Francisco/Oakland, and San Jose California

(2) This contract offering is only available January 16, 2003 through February 14, 2003.

(3) If Customer should discontinue this service during the term of this agreement, termination charges will apply in accordance with Section 33.11.5.

(4) Customer agrees to subscribe to this service in accordance with the regulations set forth in Section 5.

(5) Customer shall renew the service listed in Section 33.11.2 (A) for an existing OC-48 SRAS for a five year term in order to be eligible for this contract offering.

(6) Customer must have a minimum of six CO nodes to qualify for this offer.

(7) Customer agrees that this offering will only cover the existing OC-48 SRAS arrangement at the time of renewal. Additional services ordered for this existing ring will be billed subject to rates contained in Section 31.5.2.10.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 - OC-48 SONET Ring Access Service SRAS Central Office (CO) Renewal Offer (Cont'd)

33.11.4 Rates and Charges

(N)

OC-48 SRAS CO Renewal Rate Table

	MONTHLY		
OC-48 SRAS	USOC	5 Year	NRC
Mileage- Dedicated Ring-Per interoffice mile			
-2.4 Gbps 0-10 miles	1L5XX/1L8XX	None	
Over 10 miles	1L5XX/1L8XX	425.00	
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF5	595.00	None
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL5	1,190.00	None
Alternate Wire Center – per CO to Premises Node Link (outside of customer’s wire center) 2.4 Gbps	FECAX/DEDA5	1,487.50	None
Nodes CO and Premises			
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC5	3,145.00	None
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD5	3,952.50	None
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN5	680.00	None
Premises Access Ports			
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB5	1,190.00	None
Administrative charge per order	ORCMX		60.00
Design and Central Office Connection Charge, per ring	NRBCL		600.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 - OC-48 SONET Ring Access Service SRAS Central Office (CO) Renewal Offer (Cont'd)

33.11.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

	MONTHLY		
OC-48 SRAS	USOC	5 Year	NRC
Premis Access Ports-per port			
622 Mbps (OC12c)	FP6TX/LSAU5	1,275.00	None
622 Mbps (OC12)	FP6TX/LSAU5	1,275.00	None
155.5 Mbps (OC3c)	FP6OX/LSAO5	331.50	None
155.5 Mbps (OC3)	FP6OX/LSAO5	331.50	None
45 Mbps (DS3)	FP6BX/LSA35	123.25	None
1.5 Mbps (DS1)	FP6AZ/LSA15	38.25	None
Central Office Access-per port			
622 Mbps (OC12c)	FC6TX/LSAL5	1,275.00	None
622 Mbps (OC12)	FC6ZX/LSAT5	382.50	None
155 Mbps (OC3c/c-48)	FC6UX/LSA45	340.00	None
155 Mbps (OC3/c-12)	FC6VX/LSAC5	170.00	None
51 Mbps(STS1 hardwired)	FCWTX/LSAD5	127.50	None
51 Mbps (STS/DS3)	FC6YX/LSAS5	106.25	None
51 Mbps (STS/DS1)	FC64X/LSAW5	467.50	None
Primary Node Link-per Link			
622 Mbps (STS12)	NBPZX/PNLG5	1,615.00	None
155 Mbps (OC3/c-48)	NBPUX/PNLF5	1,190.00	None
155 Mbps (OC3/c-12)	NBPVX/PNLE5	935.00	None
51 Mbps(STS1 hardwired)	NBPWX/PNLB5	467.50	None
51 Mbps (STS/DS3)	NBPYX/PNLD5	467.50	None
51 Mbps (STS/DS1)	NBP4X/PNLC5	807.50	None

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 - OC-48 SONET Ring Access Service SRAS Central Office (CO) Renewal Offer (Cont'd)

33.11.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

(N)

	MONTHLY		
OC-48 SRAS	USOC	5 Year	NRC
Multiplexing-per arrangement	MQ1/MQ2***	170.00	None
Rollover			1st/ Addl
-per point of termination (same location)			
DS1	NRBRH/NRBR1/SVR**		230.00/206.00
DS3	NRBR3/SVR		230.00/206.00
OC3c	NRBR3/SVR		230.00/206.00
-per point of termination (location of termination changes)			
DS1	NRBRO/SVRE1/SVRPT**		427.00/321.00
DS3	NRBRO/SVRE1/SVRPT**		427.00/321.00
OC3c	NRBRO/SVRE1/SVRPT**		427.00/321.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 - OC-48 SONET Ring Access Service SRAS Central Office (CO) Renewal Offer (Cont'd)

33.11.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF3	1,225.00
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL3	2,450.00
Alternate Wire Center – per CO to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA3	3,050.00
Nodes CO and Premises		
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC3	5,950.00
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD3	8,150.00
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN3	1,400.00
Premises Access Ports		
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSABM	2,100.00

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.11 Contract Offering No. 11 - OC-48 SONET Ring Access Service SRAS Central Office (CO) Renewal Offer (Cont'd)

33.11.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Premises Access Ports-per port		
622 Mbps (OC12c)	FP6TX/LSAUM	2,000.00
622 Mbps (OC12)	FP6TX/LSAUM	2,000.00
155.5 Mbps (OC3c)	FP6OX/LSAOM	675.00
155.5 Mbps (OC3)	FP6OX/LSAOM	675.00
45 Mbps (DS3)	FP6BX/LSA3M	330.00
1.5 Mbps (DS1)	FP6AZ/LSA1M	90.00
Central Office Access-per port		
622 Mbps (OC12c)	FC6TX/LSALM	2,000.00
622 Mbps (OC12)	FC6ZX/LSATM	750.00
155 Mbps (OC3c/c-48)	FC6UX/LSA4M	675.00
155 Mbps (OC3/c-12)	FC6VX/LSACM	335.00
51 Mbps(STS1 hardwired)	FCWTX/LSADM	250.00
51 Mbps (STS/DS3)	FC6YX/LSASM	250.00
51 Mbps (STS/DS1)	FC64X/LSAWM	900.00
Primary Node Link-per Link		
622 Mbps (STS12)	NBPZX/PNLG3	3,325.00
155 Mbps (OC3/c-48)	NBPUX/PNLF3	2,450.00
155 Mbps (OC3/c-12)	NBPVX/PNLE3	1,750.00
51 Mbps(STS1 hardwired)	NBPWX/PNLB3	960.00
51 Mbps (STS/DS3)	NBPYX/PNLD3	960.00
51 Mbps (STS/DS1)	NBP4X/PNLC3	1,660.00
Multiplexing-per arrangement		
DS3-DS1	MQ3/MQ3XM	500.00

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.11 Contract Offering No. 11 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.11.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If Customer terminates services before the completion of the term for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination and are payable as described in Section 7.4.16. Customer's termination liability for cancellation of service shall be equal to: (N)

50% of all recurring charges for the balance of the Customer's five (5) year term.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $20,000 monthly rate terminates service after four years and has twelve months remaining in a five year term plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination liability charge.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.12 Contract Offering No. 12 – OC-48 SONET Ring Access Service (SRAS) Offer

33.12.1 General Description

OC-48 SRAS Offer is an access discount plan that permits customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates in Section 33.12.4 for OC-48 SRAS that meet the eligibility criteria described in Section 33.12.2(B), below. This contract offering is available in the MSAs listed in Section 33.12.3(B).

33.12.2 Services Available Under OC-48 SRAS Offer

(A) OC-48 SRAS Offer applies to pricing-flexibility-qualified access services contained in the following tariff section:
- Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) The following eligibility criteria must be met in order to receive the OC-48 SRAS Offer discount:
- Service must be a pricing-flexibility-qualified service listed in Section 33.12.2 (A);
- Service must be located in an MSA listed in Section 33.12.3(B);
- Service must be for new installation orders only.

33.12.3 OC-48 SRAS Offer Terms and Conditions

(A) Term Period

The contract term is three (3) years or five (5) years commencing on the date billing begins. Billing commences no more than five (5) days following the Telephone Company's completion of the service order. This offer is not renewable.

If at the expiration of Customer's contract term Customer elects to continue service, Customer shall select from payment options in Section 7.4.16 and be subject to the rates in Section 31.5.2.10, or the Customer will be billed the monthly extension rate as described in Section 33.12.4.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.12 Contract Offering No. 12 – OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.12.3 OC-48 SRAS Offer Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

Rate stability under this contract term applies only to the rates specific to OC-48 SRAS Offer. Purchase of the services listed above under OC-48 SRAS Offer is also subject to certain rates and charges in other sections of this tariff as applicable and as such rates and charges may be modified through the filing of tariff changes at any time during the term of the services.

Purchases of the services listed above under OC-48 SRAS Offer are subject to the specific terms and conditions of this Section 33.12. Purchases of the services listed above under OC-48 SRAS Offer are also subject to general terms and conditions of F.C.C. Tariff No. 1 and such terms and conditions may be modified through the filing of tariff changes at any time during the term of the service. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.12 Contract Offering No. 12 – OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd) (N)

33.12.3 OC-48 SRAS Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This contract offering is only available for circuits located in the following Metropolitan Statistical Areas:

- Phase 2 Pricing Flexibility MSAs: Los Angeles/Long Beach, Sacramento, San Diego, and San Francisco/Oakland, and San Jose California

(2) This contract offering is only available January 29, 2003 through March 31, 2003.

(3) If Customer should discontinue this service during the term of this agreement, termination charges will apply in accordance with Section 33.12.5.

(4) Customer agrees to subscribe to this service in accordance with the regulations set forth in Section 5.

(5) Customer shall subscribe to the service listed in Section 33.12.2(A) for a newly installed OC-48 SRAS with a three (3) or five (5) year term in order to be eligible for this contract offering.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.12 Contract Offering No. 12 – OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd) (N)

33.12.4 Rates and Charges

OC-48 SRAS Rate Table

		MONTHLY		
OC-48 SRAS	USOC	3 Year	5 Year	NRC
Mileage- Dedicated Ring-Per interoffice mile				
-2.4 Gbps 0-10 miles	1L5XX/1L8XX		None	
Over 10 miles	1L5XX/1L8XX	325.00	325.00	
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF3	800.00		150.00
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FEXFX/DEDF5		700.00	None
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL3	1,600.00		150.00
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL5		1,400.00	None
Alternate Wire Center - per CO Node to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA3	2,100.00		150.00
Alternate Wire Center - per CO to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA5		1,750.00	None
Nodes CO and Premises				
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC3	4,450.00		3,000.00
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC5		3,400.00	None
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD3	5,200.00		3,000.00
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD5		4,250.00	None
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN3	900.00		3,000.00
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN5		800.00	None
Premises Access Ports				
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB3	1,650.00		350.00 First 175.00 Add'l
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB5		1,400.00	None
Administrative charge per order	ORCMX			60.00
Design and Central Office Connection Charge, per ring	NRBCL			600.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.12 Contract Offering No. 12 - OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.12.4 Rates and Charges (Cont'd)

OC-48 SRAS Rate Table (Cont'd)

		MONTHLY	
OC-48 SRAS	USOC	3 Year	NRC
Premise Access Ports-per port			1st/Add'l
622 Mbps (OC12c)	FP6TX/LSAU3	1,700.00	350.00/175.00
622 Mbps (OC12)	FP6TX/LSAU3	1,700.00	350.00/175.00
155.5 Mbps (OC3c)	FP6OX/LSAO3	460.00	350.00/175.00
155.5 Mbps (OC3)	FP6OX/LSAO3	460.00	350.00/175.00
45 Mbps (DS3)	FP6BX/LSA33	230.00	350.00/175.00
1.5 Mbps (DS1)	FP6AZ/LSA13	60.00	350.00/175.00
Central Office Access-per port			
622 Mbps (OC12c)	FC6TX/LSAL3	1,700.00	300.00/150.00
622 Mbps (OC12)	FC6ZX/LSAT3	525.00	300.00/150.00
622 Mbps (STS12)*	FC6ZX/LSAT3	525.00	300.00/150.00
155 Mbps (OC3c/c-48)	FC6UX/LSA43	475.00	300.00/150.00
155 Mbps (OC3/c-12)	FC6VX/LSAC3	235.00	300.00/150.00
51 Mbps(STS1 hardwired)	FC6WX/LSAD3	175.00	300.00/150.00
51 Mbps (STS/DS3)	FC6YX/LSAS3	175.00	300.00/150.00
51 Mbps (STS/DS1)	FC64X/LSAW3	650.00	300.00/150.00
Primary Node Link-per Link			
622 Mbps (STS12)	NBPZX/PNLG3	2,200.00	400.00/200.00
155 Mbps (OC3/c-48)	NBPUX/PNLF3	1,650.00	400.00/200.00
155 Mbps (OC3/c-12)	NBPVX/PNLE3	1,300.00	400.00/200.00
51 Mbps(STS1 hardwired)	NBPWX/PNLB3	650.00	400.00/200.00
51 Mbps (STS/DS3)	NBPYX/PNLD3	650.00	400.00/200.00
51 Mbps (STS/DS1)	NBP4X/PNLC3	1,100.00	400.00/200.00
Local Loop Link			
155 Mbps (OC3c)	DCHSX/LLAL3	3,000.00	3,250.00/1,625.00
45 Mbps (DS3)	DCHSX/LLAL3	1,600.00	1,750.00/875.00
1.5 Mbps (DS1)	DCHSX/LLAL3	130.00	360.00/180.00
Nodes CO and Premises			
CO Node for two point (circuit service) configuration			
622 Mbps (OC12/c)	FC6XB/NOCC3	3,000.00	
155 Mbps (OC3/3c)	FC6XB/NOCC3	1,000.00	
51 Mbps (STS1 or DS3)	FC6XB/NOCC3	300.00	
1.5 Mbps (DS1)	FC6XB/NOCC3	40.00	
Multiplexing-per arrangement			
DS1 or Fiber Advantage SM DS1 to Voice/Digital			
Zone 1	MQ1/MQ2	200.00	None
Zone 2	MQ1/MQ2	250.00	None
Zone 3	MQ1/MQ2	275.00	None
DS3-DS1	MQ3/MQ3X3	330.00	
Rollover			1st/ Addl
-per point of termination (same location)			
DS1	NRBRH/NRBR1/SVR		230.00/206.00
DS3	NRBR3/SVR		230.00/206.00
OC3c	NRBR3/SVR		230.00/206.00
-per point of term.(location of termination changes)			
DS1	NRBRO/SVRE1/SVRPT		427.00/321.00
DS3	NRBRO/SVRE1/SVRPT		427.00/321.00
OC3c	NRBRO/SVRE1/SVRPT		427.00/321.00

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.12 Contract Offering No. 12 - OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.12.4 Rates and Charges (Cont'd)

OC-48 SRAS Rate Table (Cont'd)

	MONTHLY		
OC-48 SRAS	USOC	5 Year	NRC
Premise Access Ports-per port			
622 Mbps (OC12c)	FP6TX/LSAU5	1,500.00	None
622 Mbps (OC12)	FP6TX/LSAU5	1,500.00	None
155.5 Mbps (OC3c)	FP6OX/LSAO5	390.00	None
155.5 Mbps (OC3)	FP6OX/LSAO5	390.00	None
45 Mbps (DS3)	FP6BX/LSA35	145.00	None
1.5 Mbps (DS1)	FP6AX/LSA15	45.00	None
Central Office Access-per port			
622 Mbps (OC12c)	FC6TX/LSAL5	1,500.00	None
622 Mbps (OC12)	FC6ZX/LSAT5	450.00	None
155 Mbps (OC3c/c-48)	FC6UX/LSA45	400.00	None
155 Mbps (OC3/c-12)	FC6VX/LSAC5	200.00	None
51 Mbps(STS1 hardwired)	FC6WX/LSAD5	150.00	None
51 Mbps (STS/DS3)	FC6YX/LSAS5	125.00	None
51 Mbps (STS/DS1)	FC64X/LSAW5	550.00	None
Primary Node Link-per Link			
622 Mbps (STS12)	NBPZX/PNLG5	1,900.00	None
155 Mbps (OC3/c-48)	NBPUX/PNLF5	1,400.00	None
155 Mbps (OC3/c-12)	NBPVX/PNLE5	1,100.00	None
51 Mbps(STS1 hardwired)	NBPWX/PNLB5	550.00	None
51 Mbps (STS/DS3)	NBPYX/PNLD5	550.00	None
51 Mbps (STS/DS1)	NBP4X/PNLC5	950.00	None
Local Loop Link			
155 Mbps (OC3c)	DCHSX/LLAL3	2,250.00	None
45 Mbps (DS3)	DCHSX/LLAL3	1,200.00	None
1.5 Mbps (DS1)	DCHSX/LLAL3	120.00	None
Nodes CO and Premises			
CO Node for two point (circuit service) configuration			
622 Mbps (OC12/c)	FC6XB/NOCC3	2,100.00	
155 Mbps (OC3/3c)	FC6XB/NOCC3	700.00	
51 Mbps (STS1 or DS3)	FC6XB/NOCC3	230.00	
1.5 Mbps (DS1)	FC6XB/NOCC3	35.00	
Multiplexing-per arrangement			
DS1 or Fiber Advantage^{SM} DS1 to Voice/Digital			
Zone 1	MQ1/MQ2	200.00	None
Zone 2	MQ1/MQ2	250.00	None
Zone 3	MQ1/MQ2	275.00	None
DS3-DS1	MQ3/MQ3X5	200.00	
Rollover			1st/ Addl
-per point of termination (same location)			
DS1	NRBRH/NRBR1/SVR		230.00/206.00
DS3	NRBR3/SVR		230.00/206.00
OC3c	NRBR3/SVR		230.00/206.00
-per point of term.(location of termination changes)			
DS1	NRBRO/SVRE1/SVRPT		427.00/321.00
DS3	NRBRO/SVRE1/SVRPT		427.00/321.00
OC3c	NRBRO/SVRE1/SVRPT		427.00/321.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.12 Contract Offering No. 12 - OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd) (N)

33.12.4 Rates and Charges (Cont'd)

OC-48 SRAS Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF3	1,225.00
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL3	2,450.00
Alternate Wire Center – per CO to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA3	3,050.00
Nodes CO and Premises		
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC3	5,950.00
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD3	8,150.00
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN3	1,400.00
CO Node for two point (circuit service) configuration		
622 Mbps (OC12/c)	FC6XB/NOCC3	4,500.00
155 Mbps (OC3/3c)	FC6XB/NOCC3	1,500.00
51 Mbps (STS1 or DS3)	FC6XB/NOCC3	450.00
1.5 Mbps (DS1)	FC6XB/NOCC3	60.00
Local Loop Link –per link (with equipment)		
155 Mbps (OC3c)	DCHSX/LLALM	7,500.00
45 Mbps (DS3)	DCHSX/LLALM	2,400.00
1.5 Mbps (DS1)	DCHSX/LLALM	130.00
Premises Access Ports		
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSABM	2,100.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.12 Contract Offering No. 12 - OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd) (N)

33.12.4 Rates and Charges (Cont'd)

OC-48 SRAS Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Premises Access Ports-per port		
622 Mbps (OC12c)	FP6TX/LSAUM	2,000.00
622 Mbps (OC12)	FP6TX/LSAUM	2,000.00
155.5 Mbps (OC3c)	FP6OX/LSAOM	675.00
155.5 Mbps (OC3)	FP6OX/LSAOM	675.00
45 Mbps (DS3)	FP6BX/LSA3M	330.00
1.5 Mbps (DS1)	FP6AZ/LSA1M	90.00
Central Office Access-per port		
622 Mbps (OC12c)	FC6TX/LSALM	2,000.00
622 Mbps (OC12)	FC6ZX/LSATM	750.00
155 Mbps (OC3c/c-48)	FC6UX/LSA4M	675.00
155 Mbps (OC3/c-12)	FC6VX/LSACM	335.00
51 Mbps(STS1 hardwired)	FCWTX/LSADM	250.00
51 Mbps (STS/DS3)	FC6YX/LSASM	250.00
51 Mbps (STS/DS1)	FC64X/LSAWM	900.00
Primary Node Link-per Link		
622 Mbps (STS12)	NBPZX/PNLG3	3,325.00
155 Mbps (OC3/c-48)	NBPUX/PNLF3	2,450.00
155 Mbps (OC3/c-12)	NBPVX/PNLE3	1,750.00
51 Mbps(STS1 hardwired)	NBPWX/PNLB3	960.00
51 Mbps (STS/DS3)	NBPYX/PNLD3	960.00
51 Mbps (STS/DS1)	NBP4X/PNLC3	1,660.00
Multiplexing-per arrangement		
DS3-DS1	MQ3/MQ3XM	500.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.12 Contract Offering No. 12 - OC-48 SONET Ring Access Service (SRAS) Offer (Cont'd)

(N)

33.12.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If Customer terminates services before the completion of the term for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination and are payable as described in Section 7.4.16. Customer's termination liability for cancellation of service shall be equal to:

50% of all recurring charges for the balance of the Customer's three(3) or five (5) year term.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $20,000 monthly rate terminates service after two years and has twelve months remaining in a three year term plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination liability charge.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.13 Contract Offering No. 13 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer

33.13.1 General Description

OC-48 SRAS CO Renewal Offer is an access discount plan that permits customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates in Section 33.13.4 for renewal of existing OC-48 SRAS that meet the eligibility criteria described in Section 33.13.2(B), below. This contract offering is available in the MSAs listed in Section 33.13.3(B).

33.13.2 Services Available Under OC-48 SRAS CO Renewal Offer

(A) OC-48 SRAS CO Renewal Offer applies to pricing-flexibility-qualified access services contained in the following tariff section:
- Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) The following eligibility criteria must be met in order to receive the OC-48 SRAS CO Renewal Offer discount:
- Service must be a pricing-flexibility-qualified service listed in Section 33.13.4;
- Service must be located in an MSA listed in Section 33.13.3(B)(1);
- Only existing services are eligible for this renewal offer;
- Customer need not currently be subscribing to a five-year plan but the renewal must be for five years only;
- Customer's term plan to be renewed must have expired in 2002.
- Customer must have a minimum of six nodes to qualify for this offer.

33.13.3 OC-48 SRAS CO Renewal Offer Terms and Conditions

(A) Term Period
The contract term is five (5) years commencing on the date billing begins for the renewal period. Billing commences no more than five (5) days following the Telephone Company's completion of the service order.

If at the expiration of Customer's contract term Customer elects to continue service, Customer shall select from payment options in Section 7.4.16 and be subject to the rates in Section 31.5.2.10, or the Customer will be billed the monthly extension rate as described in Section 33.13.4. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.13 Contract Offering No. 13 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.13.3 OC-48 SRAS CO Renewal Offer Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

Rate stability under this contract term applies only to the rates specific to OC-48 SRAS CO Renewal Offer. Purchase of the services listed above under OC-48 SRAS CO Renewal Offer is also subject to certain rates and charges in other sections of this tariff as applicable and as such rates and charges may be modified through the filing of tariff changes at any time during the term of the services.

Purchases of the services listed above under OC-48 SRAS CO Renewal Offer are subject to the specific terms and conditions of this Section 33.13.3(B). Purchases of the services listed above under OC-48 SRAS CO Renewal Offer are also subject to general terms and conditions of FCC Tariff No. 1 and such terms and conditions may be modified through the filing of tariff changes at any time during the term of the services.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.13 Contract Offering No. 13 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.13.3 OC-48 SRAS CO Renewal Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This contract offering is only available for circuits located in the following MSAs:

- Phase 2 Pricing Flexibility MSAs: Los Angeles/Long Beach, Sacramento, San Diego, San Francisco/Oakland, and San Jose, California

(2) This contract offering is only available February 22, 2003 through July 1, 2003.

(3) If Customer should discontinue this service during the term of this agreement, termination charges will apply in accordance with Section 33.13.5.

(4) Customer agrees to subscribe to this service in accordance with the regulations set forth in Section 5.

(5) Customer shall renew the service listed in Section 33.13.2 (A) for an existing OC-48 SRAS for a five year term in order to be eligible for this contract offering.

(6) Customer must have a minimum of six CO nodes to qualify for this offer.

(7) Customer agrees that this offering will only cover the existing OC-48 SRAS arrangement at the time of renewal. Additional services ordered for this existing ring will be billed subject to rates contained in Section 31.5.2.10.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.13 Contract Offering No. 13 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.13.4 Rates and Charges

OC-48 SRAS CO Renewal Rate Table

	MONTHLY		
OC-48 SRAS	USOC	5 Year	NRC
Mileage- Dedicated Ring-Per interoffice mile			
-2.4 Gbps 0-10 miles	1L5XX/1L8XX	None	
Over 10 miles	1L5XX/1L8XX	425.00	
Circuit Service- Per interoffice mile			
-622 Mbps (OC12/c)	1L5XX/1L8XX	215.00	
-622 Mbps (STS-12)	1L5XX/1L8XX	215.00	
-155 Mbps (OC3c)	1L5XX/1L8XX	25.00	
- 51 Mbps (DS3)	1L5XX/1L8XX	22.00	
- 1.5 Mbps (DS1)	1L5XX/1L8XX	13.00	
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF5	595.00	None
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL5	1,190.00	None
Alternate Wire Center – per CO to Premises Node Link (outside of customer’s wire center) 2.4 Gbps	FECAX/DEDA5	1,487.50	None
Nodes CO and Premises			
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC5	3,145.00	None
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD5	3,952.50	None
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN5	680.00	None
Premises Access Ports			
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB5	1,190.00	None
Administrative charge per order	ORCMX		60.00
Design and Central Office Connection Charge, per ring	NRBCL		600.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.13 Contract Offering No. 13 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.13.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

		MONTHLY		
OC-48 SRAS	USOC	Monthly Extensions	5 Year	NRC
Premis Access Ports-per port				
622 Mbps (OC12c)	FP6TX/LSAU5		1,275.00	None
622 Mbps (OC12)	FP6TX/LSAU5		1,275.00	None
155.5 Mbps (OC3c)	FP6OX/LSAO5		331.50	None
155.5 Mbps (OC3)	FP6OX/LSAO5		331.50	None
45 Mbps (DS3)	FP6BX/LSA35		123.25	None
1.5 Mbps (DS1)	FP6AZ/LSA15		38.25	None
Central Office Access-per port				
622 Mbps (OC12c)	FC6TX/LSAL5		1,275.00	None
622 Mbps (OC12)	FC6ZX/LSAT5		382.50	None
155 Mbps (OC3c/c-48)	FC6UX/LSA45		340.00	None
155 Mbps (OC3/c-12)	FC6VX/LSAC5		170.00	None
51 Mbps(STS1 hardwired)	FCWTX/LSAD5		127.50	None
51 Mbps (STS/DS3)	FC6YX/LSAS5		106.25	None
51 Mbps (STS/DS1)	FC64X/LSAW5		467.50	None
Primary Node Link-per Link				
622 Mbps (STS12)	NBPZX/PNLG5		1,615.00	None
155 Mbps (OC3/c-48)	NBPUX/PNLF5		1,190.00	None
155 Mbps (OC3/c-12)	NBPVX/PNLE5		935.00	None
51 Mbps(STS1 hardwired)	NBPWX/PNLB5		467.50	None
51 Mbps (STS/DS3)	NBPYX/PNLD5		467.50	None
51 Mbps (STS/DS1)	NBP4X/PNLC5		807.50	None
CO Node for two point (circuit service) configuration				
622 Mbps (OC12/c)	FC6XB/NOCCM	4,500.00		None
622 Mbps (STS12)	FC6XB/NOCCM	4,500.00		None
155 Mbps (OC3/3c)	FC6XB/NOCCM	1,500.00		None
51 Mbps (STS or DS3)	FC6XB/NOCCM	450.00		None
1.5 Mbps (DS1)	FC6XB/NOCCM	60.00		None
622 Mbps (OC12/c)	FC6XB/NOCC5		1,785.00	None
622 Mbps (STS12)	FC6XB/NOCC5		1,785.00	None
155 Mbps (OC3/3c)	FC6XB/NOCC5		595.00	None
51 Mbps (STS or DS3)	FC6XB/NOCC5		195.00	None
1.5 Mbps (DS1)	FC6XB/NOCC5		30.00	None

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.13 Contract Offering No. 13- OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.13.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

		MONTHLY		
OC-48 SRAS	USOC	Monthly Ext.	5 Year	NRC
Multiplexing-per arrangement	MQ1/MQ2***		170.00	None
Rollover				1st/ Addl
-per point of termination (same location)				
DS1	NRBRH/NRBR1/SVR**			230.00/206.00
DS3	NRBR3/SVR			230.00/206.00
OC3c	NRBR3/SVR			230.00/206.00
-per point of termination (location of termination changes)				
DS1	NRBRO/SVRE1/SVRPT**			427.00/321.00
DS3	NRBRO/SVRE1/SVRPT**			427.00/321.00
OC3c	NRBRO/SVRE1/SVRPT**			427.00/321.00
Local Loop Link –per link (with equipment)				
155 Mbps (OC3c)	DCHSX/LLALM	7,500.00		56,200.00/28,100.00
45 Mbps (DS3)	DCHSX/LLALM	2,400.00		31,000.00/15,500.00
1.5 Mbps (DS1)	DCHSX/LLALM	130.00		720.00/360.00
155 Mbps (OC3c)	DCHSX/LLAL5		2,040.00	None
45 Mbps (DS3)	DCHSX/LLAL5		1,020.00	None
1.5 Mbps (DS1)	DCHSX/LLAL5		105.00	None

(N)

** NRBRO, NRBR1, and NRBRH are used in CABS, SVR, SVRE1 and SVRPT are used in CRIS.
*** Both USOCs are used in CABS and CRIS billing system.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.13 Contract Offering No. 13 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.13.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF3	1,225.00
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL3	2,450.00
Alternate Wire Center – per CO to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA3	3,050.00
Nodes CO and Premises		
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC3	5,950.00
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD3	8,150.00
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN3	1,400.00
Premises Access Ports		
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSABM	2,100.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.13 Contract Offering No. 13 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.13.4 Rates and Charges (Cont'd)

OC-48 SRAS CO Renewal Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Premises Access Ports-per port		
622 Mbps (OC12c)	FP6TX/LSAUM	2,000.00
622 Mbps (OC12)	FP6TX/LSAUM	2,000.00
155.5 Mbps (OC3c)	FP6OX/LSAOM	675.00
155.5 Mbps (OC3)	FP6OX/LSAOM	675.00
45 Mbps (DS3)	FP6BX/LSA3M	330.00
1.5 Mbps (DS1)	FP6AZ/LSA1M	90.00
Central Office Access-per port		
622 Mbps (OC12c)	FC6TX/LSALM	2,000.00
622 Mbps (OC12)	FC6ZX/LSATM	750.00
155 Mbps (OC3c/c-48)	FC6UX/LSA4M	675.00
155 Mbps (OC3/c-12)	FC6VX/LSACM	335.00
51 Mbps(STS1 hardwired)	FCWTX/LSADM	250.00
51 Mbps (STS/DS3)	FC6YX/LSASM	250.00
51 Mbps (STS/DS1)	FC64X/LSAWM	900.00
Primary Node Link-per Link		
622 Mbps (STS12)	NBPZX/PNLG3	3,325.00
155 Mbps (OC3/c-48)	NBPUX/PNLF3	2,450.00
155 Mbps (OC3/c-12)	NBPVX/PNLE3	1,750.00
51 Mbps(STS1 hardwired)	NBPWX/PNLB3	960.00
51 Mbps (STS/DS3)	NBPYX/PNLD3	960.00
51 Mbps (STS/DS1)	NBP4X/PNLC3	1,660.00
Multiplexing-per arrangement		
DS3-DS1	MQ3/MQ3XM	500.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.13 Contract Offering No. 13 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

(N)

33.13.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If Customer terminates services before the completion of the term for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination and are payable as described in Section 7.4.16. Customer's termination liability for cancellation of service shall be equal to:

50% of all recurring charges for the balance of the Customer's five (5) year term.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $20,000 monthly rate terminates service after four years and has twelve months remaining in a five year term plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination liability charge.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term

33.14.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user’s network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user’s designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 - Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.16.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Fresno, CA
- Los Angeles-Long Beach et al., CA
- Oxnard-Simi Valley-Ventura, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Santa Rosa-Petaluma, CA (N)
- Stockton, CA

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.14.2 Contract Terms

(A) Contract Offering No. 14 is available during the purchase period which begins July 1, 2003 and ends January 30, 2004.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 14.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 14 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.14.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 14 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 14 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 14 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 14 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 14.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 14 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.14.2(L). The termination charge for Contract Offering No. 14 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 14 terminated and the termination charges described in 33.14.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.14.3(B).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.14.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 14 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.14.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 14 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 14, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 14.

(M) Contract Offering No. 14 is not available as a Fiber Advantage DS1 service.

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 14 terminated. If Contract Offering No. 14 is terminated during the initial contract term, the termination charges described in 33.14.2(J) apply.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.14.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.14.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.15(B) and the Service Rearrangement Charge reflected in 33.14.3(B) applies.

33.14.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a “per DS0 channel” basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.14 Contract Offering No. 14 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.14.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term

33.15.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.15.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Fresno, CA
- Los Angeles-Long Beach et al., CA
- Oxnard-Simi Valley-Ventura, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Santa Rosa-Petaluma, CA (N)
- Stockton, CA

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.15.2 Contract Terms

(A) Contract Offering No. 15 is available during the purchase period which begins July 1, 2003 and ends January 30, 2004.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 15.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 15 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.15.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 15 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 15 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 15 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 15 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 15.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 15 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.15.2(L). The termination charge for Contract Offering No. 15 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 15 terminated and the termination charges described in 33.15.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.15.2(B). (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.15.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 15 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.15.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 15 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 15, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 15.

(M) Contract Offering No. 15 is not available as a Fiber Advantage DS1 service.

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 15 terminated. If Contract Offering No. 15 is terminated during the initial contract term, the termination charges described in 33.15.2(J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.15.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.15.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.15.3(B) applies.

33.15.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.15 Contract Offering No. 15 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.15.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service – Three Year Term

33.16.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.16.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Fresno, CA
- Los Angeles-Long Beach, CA
- Oxnard-Simi Valley-Ventura, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Santa Rosa-Petaluma, CA
- Stockton, CA

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.16.2 Contract Terms

(A) Contract Offering No. 16 is available during the purchase period which begins July 1, 2003 and ends January 30, 2004.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 16.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 16 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.16.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 16 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 16 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 16 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 16 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 16.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 16 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.16.2(L). The termination charge for Contract Offering No. 16 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.16.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 16 terminated and the termination charges described in 33.16.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 16 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.16.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 16 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 16, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 16.

(M) Contract Offering No. 16 is not available as a Fiber Advantage DS1 service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.16.2 Contract Terms (Cont'd)

(N) A minimum of eight DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than eight DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the eight DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 16 terminated. If Contract Offering No. 16 is terminated during the initial contract term, the termination charges described in 33.16.2(J) apply.

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.16.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.16.3(B) applies. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.16 Contract Offering No. 16 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.16.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$250.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (D)

33.17.1 General Description

[1] Capacity Offer ("Contract Offer No. 17") is an access discount plan that permits Customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay a flat monthly rate for a package of new and renewed services that include a new [1] Service and four (4) existing OC-48 SONET Ring and Access Services (SRAS). As an example, a Customer renews four (4) existing OC-48 SRAS, orders a new [1] and pays a flat monthly rate for all five. (D) (D)

The OC-48 SRAS are eligible if those services meet the eligibility criteria listed in Section 33.17.2(C), below. The flat monthly rate is available based on the terms and conditions contained in Section 33.17.3(B). This Contract Offer No. 17 is available in the MSAs listed in Section 33.17.3(B)(1).

33.17.2 Services Available Under [1] Capacity Offer

(A) Contract Offer No. 17 applies to pricing-flexibility-qualified access services contained in the following tariff sections:
- [1]; (D)
- Pacific Bell OC-48 SONET Ring and Access Services - Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) All terms and conditions for the qualified service listed above are governed by the respective tariff sections except as noted herein.

(C) The following eligibility criteria must be met in order to receive the Contract Offer No. 17 discount:

- Service must be a pricing-flexibility-qualified service listed in Section 33.17.2(A);
- Service must be located in an MSA listed in Section 33.17.3(B)(1);
- Customer must renew four (4) existing OC-48 SRAS and purchase a new [1] to qualify for this service offering; (D)
- Customer agrees to a renewal of not greater than fifty (50) [1] on the existing four (4) OC-48 SRAS in contiguous MSAs; (D)
- All services placed under the terms of this contract offering must be located within contiguous MSAs.

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 17 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (Cont'd) (D)

33.17.3 [1] Capacity Offer Terms and Conditions (D)

(A) Term Period

The contract term is for ten (10) years commencing on the date the Customer subscribes to this Contract Offer No. 17. This offer is not renewable.

In year nine (9) of this Contract Offer No. 17, the Customer may terminate this contract offering without termination liability, to change services or service pricing into any offering available for the products and services provided for under the current contract.

If at the expiration of Customer's contract term, Customer elects to continue service, Customer shall select from payment options in Section [1]for the [1] (D)
Service and Section 7.4.16 for SONET Ring and Access Service and be subject to the prevailing rates in (D)
Sections [1] and 31.5.2.10. If the Customer does not elect an option the Telephone Company will convert the Customer to the prevailing monthly extension rates.

Rate stability under this contract term period applies only to the rates specific to Contract Offer No. 17 as listed in Section 33.17.4. Purchase of the services listed above under Contract Offer 17 are also subject to certain rates and charges in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 13-Additional Engineering, Additional Labor & Miscellaneous Services and 32-Metropolitan Statistical Area Access Services (as related to rates referred to in Section 33.17.4), as applicable and such rates and charges may be modified through the filing of tariff changes at any time during the Term Period.

[1] See footnote (1) on page 33-119

33. Pricing Flexibility Contract Offerings (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (Cont'd) (D)

33.17.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(A) Term Period (Cont'd)

Purchase of the services listed above under Contract Offer No. 17 are subject to the specific terms and conditions of Section 33.17.3(B) below. Purchase of the services listed above under Contract Offer No. 17 are also subject to general terms and conditions of F.C.C.Tariff No. 1 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 6-Switched Access Service, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

(B) Terms and Conditions

(1) This Contract Offer No. 17 is only available for facilities located in the following Metropolitan Statistical Areas:

- Phase 2 Pricing Flexibility MSAs: Bakersfield, Fresno, Los Angeles/Long Beach, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, and San Jose, Santa Rosa, and Stockton, California

(2) This Contract Offer No. 17 is only available July 2, 2003 through October 2, 2003.

(3) If the Customer should discontinue service as defined in Section 33.17.2(C) under this Contract Offer No. 17 during the term of this agreement, termination charges will apply in accordance with Section 33.17.5.

(4) Customer agrees to subscribe to the services available under this Contract Offer No. 17 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched & Special Access Service.

[1] See footnote (1) on page 33-119

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (Cont'd) (D)

33.17.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(B) Terms and Conditions (Cont'd)

(5) Customer agrees to place access service order request for new [1] Service at time of subscription to this Contract Offer No. 17. (D)

(6) Customer agrees to order a new [1] Service with a maximum of nine (9) [1], 462 DS3 [1], eight (8) [1] and can not exceed 107 airline miles as measured by V&H coordinate. New services added to the [1] other than stated above, will be subject to the tariff rates as contained in Section 31.5.2.10 for OC-48 SRAS or Section [1] for [1] Service. (D) (D) (D) (D)

(7) If after the Customer has signed the Telephone Company's Letter of Agreement-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(8) Customer agrees not to resell any capacity on services covered under this Contract Offer No. 17 to a third party.

(9) If special construction charges apply on the new[1] Service, the Customer agrees to pay those charges prior to the Telephone Company's construction of the facility.

(10) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with this Contract Offer No. 17 that might be offered by the Telephone Company for services covered under this Contract Offer No. 17.

[1] See footnote (1) on page 33-119

33. Pricing Flexibility Contract Offerings (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (Cont'd) (D)

33.17.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(B) Terms and Conditions (Cont'd)

(11) Notwithstanding Section 10 above, if during the ten (10) year term of this Contract Offer No. 17, the Telephone Company tariff rates found in Section [1], (D) for an assembly of services that when combined together are equivalent to those being purchased under this Contract Offer No. 17, are, as a total charge to a Customer under Section[1], less than the rates which (D) would apply to those equivalent services under Section 33.17.4 of this Contract Offer No. 17, then upon written request of a Customer of this Contract Offer No. 17, the Telephone Company will bill the Customer the combined lower rate for the services being purchased under this Contract Offer No. 17.

(12) Revenues under this Contract Offer No. 17 will not be eligible for inclusion in the Managed Value Plan (MVP) offering in Section 22.

(13) If the Customer requests an upgrade of services covered under this Contract Offer No. 17, e.g. change in technology or increased bandwidth of existing service, those upgrades will be under the following conditions:

(A) The total value of the upgraded service must be equal to or greater than the total value of the remaining term of the existing contract.

(B) If the total value of the upgraded service is less than the total value of the remaining term of the existing contract, the Customer may make a one-time payment equal to the difference of the total contract values. This is payable before the requested upgrade is completed.

[1] See footnote (1) on page 33-119

33. Pricing Flexibility Contract Offering (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (Cont'd) (D)

33.17.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(B) Terms and Conditions (Cont'd)

(C) If the Customer elects not to make an up-front payment then the Telephone Company will terminate this Contract Offer No. 17 and assess termination liability charges as defined in Section 33.17.5.

(14) Customer is limited to four (4) OC-48 SRAS services within a single MSA covered under this Contract Offer No. 17.

(15) If the Customer requests additional ports, nodes, miles, or other [1] services not in service at the time the Customer subscribes to this Contract Offer No. 17, the Customer will pay the tariff rates for those additions as contained in: (D)

- Section 31.5.2.10 for each additional OC-48 SRAS service, or;
- [1]. (D)

(16) If the Customer requests modifications to the OC-48 SRAS or [1] covered under this Contract Offer No. 17, the Customer agrees to pay the Telephone Company time and material charges for each modification as described in Section 13. Modification of services include, but are not limited to: rearrangement of existing [1], shelf arrangements, [1], [1] provisioning changes, interoffice arrangements, and Customer premises rearrangements. (D) (D) (D)

33.17.4 [1] Capacity Offer Rate

The monthly rate set for this Contract Offer No. 17 is $268,725.00. This rate will be in effect for the entire ten (10) year term of this contract with the exception of the term and condition as described in Section 33.17.3(B)(11). Modifications and/or additions made to the initial configuration offered under this Contract Offer No. 17 will be governed by Sections 33.17.3(B)(15)&(16).

[1] See footnote (1) on page 33-119

33. Pricing Flexibility Contract Offering (Cont'd)

33.17 Contract Offering No. 17 – [1] Capacity Offer (Cont'd) (D)

33.17.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If the Customer terminates services before the completion of the term for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These termination liability charges shall become due as of the effective date of the termination and are payable as described in Section 7.4.16. Customer's termination liability charges shall be equal to the following percentages of all recurring charges for the balance of the Customer’s ten (10) year term:

YEAR	TL
1	75%
2	70%
3	65%
4	60%
5	55%
6	50%
7	45%
8	40%
9	35%
10	35%

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage %)

Example: A Customer with a $268,725.00 monthly rate terminates service after eight (8) years and has twenty four (24) months remaining in a ten (10) year term plan. The termination liability charge would be calculated as:

Year	Month		Monthly Recurring		Termination Percentage	Termination Liability Charge
9	12	X	$268,725	X	35%	$1,128,645
10	12	X	$268,725	X	35%	$1,128,645
					TOTAL	**$2,257,290**

[1] See footnote (1) on page 33-119

33. Pricing Flexibility Contract Offerings (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (D)

33.18.1 General Description

[1] Capacity Offer ("Contract Offer No. 18")is an access discount plan that permits Customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay a flat monthly rate for a package of new and renewed services that include a new [1] Service and sixteen (16) existing OC-48 SONET Ring and Access Services (SRAS). As an example, a Customer renews sixteen (16) existing OC-48 SRAS, orders a new [1] and pays a flat monthly rate for all seventeen. (D)

The OC-48 SRAS are eligible if those services meet the eligibility criteria listed in Section 33.18.2(C), below. The flat monthly rate is available based on the terms and conditions contained in Section 33.18.3(B). This Contract Offer No. 18 is available in the MSAs listed in Section 33.18.3(B)(1).

33.18.2 Services Available Under [1] Capacity Offer (D)

(A) Contract Offer No. 18 applies to pricing-flexibility-qualified access services contained in the following tariff sections:
- [1]; (D)
- Pacific Bell OC-48 SONET Ring and Access Services - Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) All terms and conditions for the qualified service listed above are governed by the respective tariff sections except as noted herein.

(C) The following eligibility criteria must be met in order to receive the Contract Offer No. 18 discount:

- Service must be a pricing-flexibility-qualified service listed in Section 33.18.2(A);
- Service must be located in an MSA listed in Section 33.18.3(B)(1);
- Customer must renew sixteen (16) existing OC-48 SRAS and purchase a new [1] Service to qualify for this service offering; (D)
- Customer agrees to a renewal of not greater than one hundred and six (106) node on the existing sixteen (16) OC-48 SRAS in contiguous MSAs;
- All services placed under the terms of this contract offering must be located within contiguous MSAs.

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 18 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (Cont'd) (D)

33.18.3 [1] Capacity Offer Terms and Conditions (D)

(A) Term Period

The contract Term Period is for ten (10) years commencing on the date the Customer subscribes to this Contract Offer No. 18. This offer is not renewable.

In year nine (9) of this Contract Offer No. 18, the Customer may terminate this Contract Offer No. 18 without incurring termination liability charges, to change services or service pricing into any offering available for the products and services provided for under the current contract.

If at the expiration of Customer's contract Term Period, Customer elects to continue service, Customer shall select from payment options in Section [1]for the [1] (D)
Service and Section 7.4.16 for SONET Ring and Access (D)
Service and be subject to the prevailing rates in Sections [1] and 31.5.2.10. If the Customer does not elect (D)
an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates.

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 18 as listed in Section 33.18.4. Purchase of the services listed above under Contract Offer No. 18 are also subject to certain rates and charges in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 13-Additional Engineering, Additional Labor & Miscellaneous Services and 32-Metropolitan Statistical Area Access Services (as related to rates referred to in Section 33.18.4), as applicable and such rates and charges may be modified through the filing of tariff changes at any time during the Term Period.

[1] See footnote (1) on page 33-126

33. Pricing Flexibility Contract Offerings (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (Cont'd) (D)

33.18.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(A) Term Period (Cont'd)

Purchase of the services listed above under Contract Offer No. 18 are subject to the specific terms and conditions of Section 33.18.3(B) below. Purchase of the services listed above under Contract Offer No. 18 are also subject to general terms and conditions of F.C.C. Tariff No. 1 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 6-Switched Access Service, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

(B) Terms and Conditions

(1) This Contract Offer No. 18 is only available for facilities located in the following Metropolitan Statistical Areas:

- Phase 2 Pricing Flexibility MSAs: Bakersfield, Fresno, Los Angeles/Long Beach, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, and San Jose, Santa Rosa, and Stockton, California

(2) This Contract Offer No. 18 is only available July 2, 2003 through October 2, 2003.

(3) If the Customer should discontinue service as defined in Section 33.18.2(C) under this Contract Offer No. 18 during the Term Period of this agreement, termination liability charges will apply in accordance with Section 33.18.5.

(4) Customer agrees to subscribe to the services available under this Contract Offer No. 18 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched & Special Access Service.

[1] See footnote (1) on page 33-126

33. Pricing Flexibility Contract Offerings (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (Cont'd) (D)

33.18.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(B) Terms and Conditions (Cont'd)

(5) Customer agrees to place access service order request for new [1] Service at time of subscription to this Contract Offer No. 18. (D)

(6) Customer agrees to order a new [1] Service with a maximum of six (6) [1] and 300 DS3 [1], and can not exceed 52 airline miles as measured by V&H coordinate. New services added to the OC-192 (e.g., nodes, ports, miles, etc.) other than stated above, will be subject to the tariff rates as contained in Section 31.5.2.10 for OC-48 SRAS or Section [1] for [1] Service. (D) (D) (D)

(7) If after the Customer has signed the Telephone Company's Letter of Agreement-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(8) Customer agrees not to resell any capacity on services covered under this Contract Offer No. 18 to a third party.

(9) If special construction charges apply on the new[1] Service, the Customer agrees to pay those charges prior to the Telephone Company's construction of the facility.

(10) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with this Contract Offer No. 18 that might be offered by the Telephone Company for services covered under this Contract Offer No. 18.

[1] See footnote (1) on page 33-126

33. Pricing Flexibility Contract Offerings (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (Cont'd) (D)

33.18.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(B) Terms and Conditions (Cont'd)

(11) Notwithstanding Section 10 above, if during the ten year term of this Contract Offer No. 18 the Telephone Company tariff rates found in Section [1], for an assembly of services that when combined together are equivalent to those being purchased under this Contract Offer No. 18, are, as a total charge to a Customer under Section[1], less than the rates which would apply to those equivalent services under Section 33.18.4 of this Contract Offer No. 18, then upon written request of a Customer of this Contract Offer No. 18, the Telephone Company will bill the Customer the combined lower rate for the services being purchased under this Contract Offer No. 18. (D) (D)

(12) Revenues under this Contract Offer No. 18 will not be eligible for inclusion in the Managed Value Plan (MVP) offering in Section 22.

(13) If the Customer requests an upgrade of services covered under this Contract Offer No. 18, e.g. change in technology or increased bandwidth of existing service, those upgrades will be under the following conditions:

(A) The total value of the upgraded service must be equal to or greater than the total value of the remaining term of the existing contract.

(B) If the total value of the upgraded service is less than the total value of the remaining term of the existing contract, the Customer may make a one-time payment equal to the difference of the total contract values. This is payable before the requested upgrade is completed.

[1] See footnote (1) on page 33-126

33. Pricing Flexibility Contract Offering (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (Cont'd) (D)

33.18.3 [1] Capacity Offer Terms and Conditions (Cont'd) (D)

(B) Terms and Conditions (Cont'd)

(C) If the Customer elects not to make an up-front payment then the Telephone Company will terminate this Contract Offer No. 18 and assess termination liability charges as defined in Section 33.18.5.

(14) Customer is limited to sixteen (16) OC-48 SRAS within a single MSA covered under this Contract Offer No. 18.

(15) If the Customer requests additional [1], [1], miles, or other [1] services not in service at the time the Customer subscribes to this Contract Offer No. 18, the Customer will pay the tariff rates for those additions as contained in: (D) (D)

- Section 31.5.2.10 for each additional OC-48 SRAS service, or;
- [1]. (D)

(16) If the Customer requests modifications to the OC-48 SRAS or [1] covered under this Contract Offer No. 18, the Customer agrees to pay the Telephone Company time and material charges for each modification as described in Section 13. Modification of services include, but are not limited to: rearrangement of existing [1], shelf arrangements, [1], [1] provisioning changes, interoffice arrangements, and Customer premises rearrangements. (D) (D) (D)

33.18.4 [1] Dedicated Ring Capacity Offer Rate

The monthly rate set for this Contract Offer No. 18 is $483,183.00. This rate will be in effect for the entire ten (10) year term of this contract with the exception of the term and condition as described in Section 33.18.3(B)(11). Modifications and/or additions made to the initial configuration offered under this Contract Offer No. 18 will be governed by Sections 33.18.3(B)(18)&(16).

[1] See footnote (1) on page 33-126

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33. Pricing Flexibility Contract Offering (Cont'd)

33.18 Contract Offering No. 18 – [1] Capacity Offer (Cont'd) (D)

33.18.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If the Customer terminates services before the completion of the Term Period for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 7.4.16. Customer's termination liability charges shall be equal to the following percentages of all recurring charges for the balance of the Customer's ten (10) year term:

Year	**TL**
1	75%
2	70%
3	65%
4	60%
5	55%
6	50%
7	45%
8	40%
9	35%
10	35%

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage %)

Example: A Customer with a $483,183.00 monthly rate terminates service after eight (8) years and has twenty four (24) months remaining in a ten (10) year term plan. The termination liability charge would be calculated as:

Year	**Month**		**Monthly Recurring**		**Termination Percentage**	**Termination Liability Charge**
9	12	X	$483,183	X	35%	$2,029,368.60
10	12	X	$483,183	X	35%	$2,029,368.60
					TOTAL	**$4,058,737.20**

[1] See footnote (1) on page 33-126

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.19 Contract Offering No. 19 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer

33.19.1 General Description

OC-48 SRAS Central Office (hereafter referred to as CO) Renewal Offer ("Contract Offer No. 19")is an access discount plan that permits customers located in Phase 1 Limited Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates in Section 33.19.4 for renewal of existing OC-48 SRAS that meet the criteria described in Section 33.19.2(B), below. This Contract Offer No. 19 is available in the MSAs listed in Section 33.19.3(B)(1).

33.19.2 Services Available Under OC-48 SRAS CO Renewal Offer

(A) Contract Offer No. 19 applies to pricing-flexibility-qualified access services contained in the following tariff section:

- Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 31.5.2.10.

(B) The following eligibility criteria must be met in order to receive the Contract Offer No. 19 discount:

- Service must be a pricing-flexibility-qualified service listed in Section 33.19.2;
- Service must be located in an MSA listed in Section 33.19.3(B)(1);
- Only existing services that are within the last year of the Term Period or that have fulfilled the Term Period are eligible for this renewal offer;
- Customer need not currently be subscribing to a five (5) year plan but the renewal must be for five (5) years only;
- Customer must have a minimum of three (3) nodes to qualify for this offer.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.19 Contract Offering No. 19 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.19.3 OC-48 SRAS CO Renewal Offer Terms and Conditions

(A) Term Period

The contract Term Period is five (5) years commencing on the date billing begins for the renewal period. Billing commences no more than five (5) days following the Telephone Company's completion of the service order.

If at the expiration of Customer's contract Term Period, Customer elects to continue service, Customer shall select from payment options in Section 7.4.16 and be subject to the rates in Section 31.5.2.10. If the Customer does not elect an option or chose to discontinue service, the Customer will be billed the monthly extension rate as listed in Section 33.19.4.

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 19 as listed in Section 33.19.4. Purchase of the services listed above under Contract Offer No. 19 are also subject to certain rates and charges in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 13-Additional Engineering, Additional Labor & Miscellaneous Services and 32-Metropolitan Statistical Area Access Services (as related to rates referred to in Section 33.19.4), as applicable and such rates and charges may be modified through the filing of tariff changes at any time during the Term Period.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.19 Contract Offering No. 19 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.19.3 OC-48 SRAS CO Renewal Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 19 is only available for circuits located in the following MSAs:

- Phase 1 Limited Pricing Flexibility MSAs: Bakersfield, Fresno, Los Angeles/Long Beach, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton, California.

(2) This Contract Offer No. 19 is only available July 3, 2003 through January 3, 2004.

(3) If Customer should discontinue service as defined in Section 33.19.2(C) under this Contract Offer No. 19 during the term of this agreement, termination liability charges will apply in accordance with Section 33.19.5.

(4) Customer agrees to subscribe to this Contract Offer No. 19 in accordance with the regulations set forth in Section 5 - Ordering Options for Switched & Special Access Service.

(5) Customer shall renew the service listed in Section 33.19.2(A) for an existing OC-48 SRAS for a five (5) year term in order to be eligible for this Contract Offer No. 19.

(6) This Contract Offer No. 19 is not renewable.

(7) Customer agrees that this Contract Offer No. 19 will only cover the existing OC-48 SRAS arrangement at the time of renewal. Additional services ordered for this existing ring will be billed subject to rates contained in Section 31.5.2.10.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.19 Contract Offering No. 19 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.19.3 OC-48 SRAS CO Renewal Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(8) If after the Customer has signed the Telephone Company's Letter of Agreement-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(9) Customer agrees not to resell any capacity on services covered under this Contract Offer No. 19 to a third party.

(10) If the Customer requests an upgrade of services covered under this Contract Offer No. 19, e.g. change in technology or increased bandwidth of existing service, those upgrades will be under the following conditions:

(a) The total value of the upgraded service must be equal to or greater than the total value of the remaining term of the existing contract.

(b) If the total value of the upgraded service is less than the total value of the remaining term of the existing contract, the Customer may make a one-time payment equal to the difference of the total contract values. This is payable before the requested upgrade is completed.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.19 Contract Offering No. 19 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.19.4 Rates and Charges

Rate Table

	MONTHLY		
OC-48 SRAS	USOC	5 Year	NRC
Mileage- Dedicated Ring-Per interoffice mile			
-2.4 Gbps 0-10 miles	1L5XX/1L8XX	None	
Over 10 miles	1L5XX/1L8XX	425.00	
Circuit Service- Per interoffice mile			
-622 Mbps (OC12/c)	1L5XX/1L8XX	215.00	
-622 Mbps (STS-12)	1L5XX/1L8XX	215.00	
-155 Mbps (OC3c)	1L5XX/1L8XX	25.00	
- 51 Mbps (DS3)	1L5XX/1L8XX	22.00	
- 1.5 Mbps (DS1)	1L5XX/1L8XX	19.00	
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF5	595.00	None
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL5	1,190.00	None
Alternate Wire Center – per CO to Premises Node Link (outside of customer’s wire center) 2.4 Gbps	FECAX/DEDA5	1,487.50	None
Nodes CO and Premises			
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC5	3,145.00	None
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD5	3,952.50	None
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN5	680.00	None
Premises Access Ports			
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSAB5	1,190.00	None
Administrative charge per order	ORCMX		60.00
Design and Central Office Connection Charge, per ring	NRBCL		600.00

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.19 Contract Offering No. 19 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.19.4 Rates and Charges (Cont'd)

Rate Table (Cont'd)

		MONTHLY		
OC-48 SRAS	USOC	Monthly Extensions	5 Year	NRC
Premis Access Ports-per port				
622 Mbps (OC12c)	FP6TX/LSAU5		1,275.00	None
622 Mbps (OC12)	FP6TX/LSAU5		1,275.00	None
155.5 Mbps (OC3c)	FP6OX/LSAO5		331.50	None
155.5 Mbps (OC3)	FP6OX/LSAO5		331.50	None
45 Mbps (DS3)	FP6BX/LSA35		123.25	None
1.5 Mbps (DS1)	FP6AZ/LSA15		38.25	None
Central Office Access-per port				
622 Mbps (OC12c)	FC6TX/LSAL5		1,275.00	None
622 Mbps (OC12)	FC6ZX/LSAT5		382.50	None
155 Mbps (OC3c/c-48)	FC6UX/LSA45		340.00	None
155 Mbps (OC3/c-12)	FC6VX/LSAC5		170.00	None
51 Mbps(STS1 hardwired)	FCWTX/LSAD5		127.50	None
51 Mbps (STS/DS3)	FC6YX/LSAS5		106.25	None
51 Mbps (STS/DS1)	FC64X/LSAW5		467.50	None
Primary Node Link-per Link				
622 Mbps (STS12)	NBPZX/PNLG5		1,615.00	None
155 Mbps (OC3/c-48)	NBPUX/PNLF5		1,190.00	None
155 Mbps (OC3/c-12)	NBPVX/PNLE5		935.00	None
51 Mbps(STS1 hardwired)	NBPWX/PNLB5		467.50	None
51 Mbps (STS/DS3)	NBPYX/PNLD5		467.50	None
51 Mbps (STS/DS1)	NBP4X/PNLC5		807.50	None
CO Node for two point (circuit service) configuration				
622 Mbps (OC12/c)	FC6XB/NOCCM	4,500.00		None
622 Mbps (STS12)	FC6XB/NOCCM	4,500.00		None
155 Mbps (OC3/3c)	FC6XB/NOCCM	1,500.00		None
51 Mbps (STS or DS3)	FC6XB/NOCCM	450.00		None
1.5 Mbps (DS1)	FC6XB/NOCCM	60.00		None
622 Mbps (OC12/c)	FC6XB/NOCC5		1,785.00	None
622 Mbps (STS12)	FC6XB/NOCC5		1,785.00	None
155 Mbps (OC3/3c)	FC6XB/NOCC5		595.00	None
51 Mbps (STS or DS3)	FC6XB/NOCC5		195.00	None
1.5 Mbps (DS1)	FC6XB/NOCC5		30.00	None

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.19 Contract Offering No. 19 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.19.4 Rates and Charges (Cont'd)

Rate Table (Cont'd)

	MONTHLY			
OC-48 SRAS	USOC	Monthly Extension	5 Year	NRC
Multiplexing-per arrangement	MQ1/MQ2		170.00	None
Rollover				1st/ Addl
-per point of termination (same location)				
DS1	NRBRH/NRBR1			230.00/206.00
DS3	NRBR3			230.00/206.00
OC3c	NRBR3			230.00/206.00
-per point of termination (location of termination changes)				
DS1	NRBRO			427.00/321.00
DS3	NRBRO			427.00/321.00
OC3c	NRBRO			427.00/321.00
Local Loop Link –per link (with equipment)				
155 Mbps (OC3c)	DCHSX/LLALM	7,500.00		56,200.00/28,100.00
45 Mbps (DS3)	DCHSX/LLALM	2,400.00		31,000.00/15,500.00
1.5 Mbps (DS1)	DCHSX/LLALM	190.00		720.00/360.00
155 Mbps (OC3c)	DCHSX/LLAL5		2,040.00	None
45 Mbps (DS3)	DCHSX/LLAL5		1,020.00	None
1.5 Mbps (DS1)	DCHSX/LLAL5		105.00	None

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.19 Contract Offering No. 19 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.19.4 Rates and Charges (Cont'd)

Rate Table (Cont'd)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Dedicated Ring Fee-Interoffice Per CO Node to CO Node Link 2.4 Gbps	FECFX/DEDF3	1,225.00
Local Loop-per CO Node to Premises Node Link (within customer wire center) 2.4 Gbps	FECLX/DEDL3	2,450.00
Alternate Wire Center – per CO to Premises Node Link (outside of customer's wire center) 2.4 Gbps	FECAX/DEDA3	3,050.00
Nodes CO and Premises		
CO Node for Dedicated Ring 2.4 Gbps	FH5XC/NODC3	5,950.00
Premises Node for dedicated ring 2.4 Gbps	FP5XC/NODD3	8,150.00
Customer Provided Node for dedicated ring Gbps	FJ5XC/NODN3	1,400.00
Premises Access Ports		
Additional Connection for 2.4 Gbps (OC48)-per port	FP6EA/LSABM	2,100.00

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.19 Contract Offering No. 19 - OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd)

33.19.4 Rates and Charges (Cont’d)

Rate Table (Cont’d)

OC-48 SRAS	USOC	MONTHLY EXTENSION
Premises Access Ports-per port		
622 Mbps (OC12c)	FP6TX/LSAUM	2,000.00
622 Mbps (OC12)	FP6TX/LSAUM	2,000.00
155.5 Mbps (OC3c)	FP6OX/LSAOM	675.00
155.5 Mbps (OC3)	FP6OX/LSAOM	675.00
45 Mbps (DS3)	FP6BX/LSA3M	330.00
1.5 Mbps (DS1)	FP6AZ/LSA1M	90.00
Central Office Access-per port		
622 Mbps (OC12c)	FC6TX/LSALM	2,000.00
622 Mbps (OC12)	FC6ZX/LSATM	750.00
155 Mbps (OC3c/c-48)	FC6UX/LSA4M	675.00
155 Mbps (OC3/c-12)	FC6VX/LSACM	335.00
51 Mbps(STS1 hardwired)	FCWTX/LSADM	250.00
51 Mbps (STS/DS3)	FC6YX/LSASM	250.00
51 Mbps (STS/DS1)	FC64X/LSAWM	900.00
Primary Node Link-per Link		
622 Mbps (STS12)	NBPZX/PNLG3	3,325.00
155 Mbps (OC3/c-48)	NBPUX/PNLF3	2,450.00
155 Mbps (OC3/c-12)	NBPVX/PNLE3	1,750.00
51 Mbps(STS1 hardwired)	NBPWX/PNLB3	960.00
51 Mbps (STS/DS3)	NBPYX/PNLD3	960.00
51 Mbps (STS/DS1)	NBP4X/PNLC3	1,660.00
Multiplexing-per arrangement		
DS3-DS1	MQ3/MQ3XM	500.00

(N)

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33. Pricing Flexibility Contract Offering (Cont'd)

33.19 Contract Offering No. 19 – OC-48 SONET Ring Access Service (SRAS) Central Office (CO) Renewal Offer (Cont'd) (N)

33.19.5 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16. If Customer terminates services before the completion of the Term Period for any reason, Customer agrees to pay to the Telephone Company termination liability charges as described below. These termination liability charges shall become due as of the effective date of the termination and are payable as described in Section 7.4.16. Customer's termination liability charges for termination of service shall be equal to:

50% of all recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $20,000 monthly rate terminates service after four years and has twelve months remaining in a five year term plan. The termination liability charge would be calculated as:

$20,000 X 12 X 50% = $120,000 termination liability charge.

(N)

33. Pricing Flexibility Contract Offerings

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (D)

33.20.1 General Description

MVP DS1, DS3 and [1] Offer ("Contract Offer No. 20") is an access discount pricing plan for MVP Customers where subscription is required in four of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, Southern New England Telephone Company and Pacific Bell Telephone Company. This Offering provides a 50% discount off recurring tariff rates for DS1, DS3, and [1] that meet the Eligibility Criteria as described in Section 33.20.3 and are subject to the Terms and Conditions as described in Section 33.20.4. Customers will continue to receive MVP discounts provided that they meet their MVP contract obligations in Section 22 of F.C.C. No. 1 Tariff. (D) (D)

Customers must commit to a Current Annual Revenue Commitment (CARC), as described in Section 33.20.5. To ensure that the customer will meet the CARC by end of year 2004 and 2005, the Telephone Company will review revenue quarterly. In the event the customer is not meeting their CARC, the customer will be required to remit payments, via the quarterly True-Up process described in Section 33.20.6, otherwise termination liabilities will apply.

This Contract Offer No. 20 will only be available between November 18, 2003 through January 18, 2004.

33.20.2 Services Available Under Contract Offer No. 20

This Contract Offer No. 20 offers discounts on the recurring rates for the Price Flex eligible DS1, DS3 and [1] Access Services (hereafter referred to as Subject Services) contained in the Tariff Sections listed below, and only in the Metropolitan Statistical Areas (hereafter referred to as MSAs) defined in Section 33.20.4(C). (D)

Service	General / Basic Description	Phase 1 MSAs Rates and Charges	Phase 2 MSAs Rates and Charges
DS1 & DS3 Services	7.2.9	7.5.9	31.5.2.7
[1]			

(D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 20 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.2 Services Available Under Contract Offer No. 20 (Cont'd)

(B) Purchase of the Subject Services listed above pursuant to Contract Offer No. 20 are subject to the specific terms and conditions of Section 33.20.4. Additionally purchase of the services listed above pursuant to Contract Offer No. 20 are also subject to the general terms and conditions of F.C.C. Tariff No. 1 as set forth in Sections 2-General Regulations, 5-Ordering Options, 6- Switched Access Service, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such general terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however, such changes will not change the regulations described in Contract Offer No. 20.

Subject Services continue to be governed by the respective terms and conditions of the MVP provisions in Section 22, FCC Tariff No. 1 except as noted herein.

33.20.3 Eligibility Criteria for Contract Offer No. 20

(A) Contract Offer No. 20 is only available to Customers who are currently subscribing to MVP, in the following Telephone Companies:
- Pacific Bell Telephone Company (PBTC) F.C.C. No. 1 Section 22;
- Ameritech Operating Companies (AIT) F.C.C. No. 2 Section 19; and
- Southwestern Bell Telephone Company (SWBT) F.C.C. No. 73 Section 38.

(B) Customer must also concurrently subscribe to the identical contract offers of Contract Offer No. 20 pursuant to the following tariffs:
- SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 15;
- AIT Tariff F.C.C. No. 2, Section 22, Contract Offer No. 20; and
- SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 1.

(C) A minimum of 4% of the Customer's Current Annual Revenue Commitment, as described in Section 33.20.5, must come from services previously provided by a carrier other than the Ameritech Operating Companies and it's affiliates. This 4% level will be measured at the end of the Term Period, however, the 4% requirement may be demonstrated at any time during the contract period. Customer must adhere to the following Sections (1) and (2)

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.3 Eligibility Criteria for Contract Offer No. 20 (Cont'd)

(C) (Cont'd)

(1) Customer must provide documentation to demonstrate that the Subject Services have been converted from another carrier to Telephone Company services. Documentation may include but is not limited to: circuit detail records, invoices, and coordinated orders to move the service. The Telephone Company is willing to review other documents that the Customer may deem appropriate to meet this criteria, however only to the extent that it does not result in breach of any non-disclosure agreements which may govern the distribution of such information.

(2) If Customer fails to reach the 4% requirement as measured at the end of the Term Period, the Customer will be deemed to have terminated Contract Offer No. 20 and termination liabilities will apply as set forth in Section 33.20.7.

33.20.4 Terms and Conditions

(A) Term Period

The contract Term Period will commence on the date the Telephone Company receives a completed Letter of Authorization and expires on December 31, 2005 ("Term Period").

This offer is not renewable.

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.4 Terms and Conditions (Cont'd)

(B) Application

Subject Services to which the Customer already subscribes as of the commencement of the Term Period will receive discounts effective upon the commencement of the Term Period.

Subject Services purchased after the commencement of the Term Period will receive the discounts only after the service has been provisioned.

Monthly billing credits will be issued for every month in which the Subject Services are purchased in compliance with the eligibility criteria in Section 33.20.3. The Credits will be applied within 30 days after each billing cycle.

(C) This Contract Offer No. 20 is only available for Subject Services located in the following MSAs:

Pricing-Flexibility MSAs: San Francisco/Oakland, and Los Angeles/Long Beach, California.

(D) Contract Offer No. 20 provides a discount of 50% off the monthly recurring tariff rates listed in Section 33.20.2 (A) for existing and new Subject Services.

Example:

Subject Services Monthly Recurring Charge	= $2000
50% Discount	= $1000

(E) Customer agrees to maintain a Current Annual Revenue Commitment (as described in Section 33.20.5) for the calendar years of 2004 and 2005.

(F) Customer agrees to a quarterly true-up as described in Section 33.20.6 for the calendar years of 2004 and 2005.

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.5 Current Annual Revenue Commitment

Under Contract Offer No.20, Customer will commit to maintain a Current Annual Revenue Commitment (CARC). The CARC will be established using either the Customer's current MVP MARC or an Annual Revenue Commitment calculated as outlined below in Section 33.20.5(A), whichever is greater. The CARC will be established as soon as the Telephone Company receives the Letter Of Authorization from the customer.

(A) Determining the Annual Revenue Commitment

The Customer's Annual Revenue Commitment is calculated based on the total of the previous three (3) months recurring billing for all MVP qualified access services prior to any MVP discounts (as listed in F.C.C. 1, Section 22.2), multiplied by four (4). The Annual Revenue Commitment is calculated as follows:

Previous Three (3) Months Recurring Billing X 4 = Annual Revenue Commitment

(B) The CARC will not change during the contract Term Period.

(C) If the Customer fails to achieve the CARC on either of the contract anniversary dates (December 31, 2004 or December 31, 2005), and fails to remit the annual projected gap payment, the Customer will be deemed to have terminated its participation in Contract Offer No. 20 and termination liability charges will apply as set forth in Section 33.20.7.

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.6 Quarterly True-Up

To ensure that the customer will meet the CARC by the end of year 2004 and 2005, the Telephone Company will review revenues quarterly. In the event that the Customer has an estimated shortfall, the Customer is required to remit Quarterly Gap Payments as described below. Quarterly is defined as consecutive three (3) month periods commencing January 1, 2004. The process of remitting payments to eliminate the Annual Projected Gap is referred to as the True-Up process.

The Telephone Company will calculate the Customer's Annual Projected Gap (if any) on a quarterly basis. The Annual Projected Gap is the CARC, less any annual projected MVP discounts, less actual annualized revenues. Actual annualized revenue is the Customer's actual billed amount to date, annualized to determine end of year estimated revenues. Actual annualized revenues will include any previous quarterly gap payment that the Customer has made. For this calculation, the actual annualized revenues are calculated after discounts from this Contract Offer No. 20, and any other applicable credits or discounts (i.e., MVP) have been applied.

Example A: Annual Projected Gap calculation at end of 1st quarter

CARC	= $12,000,000
Less projected MVP discounts	= $ 2,000,000
Sub total	= $10,000,000
Less actual quarterly revenue ($1.5M) X 4	(annualized)
	= $ 6,000,000
Annual Projected Gap	= $ 4,000,000

(A) If there is a positive Annual Projected Gap as measured above for the quarter, the Customer agrees to make Quarterly True-Up payments. Quarterly True-Up payments will be calculated using the percentages in section 33.20.6 (B) and will be applied to the Annual Projected Gap to determine the gap payment. See example B in Section 33.20.6.

(B) Quarterly True-up payments will be calculated utilizing the following percentiles:

Quarter	Percent
1st	0%
2nd	25%
3rd	66%
4th	100%

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 - MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

Example B: Quarterly True-up

1st Quarter
Actual revenue 1st Quarter:
January = $ 400,000
February = $ 500,000
March = $ 600,000
Total = $ 1,500,000

CARC = $12,000,000
Less projected MVP discount = $ 2,000,000
Sub total = $10,000,000
Less actual 3 months revenue ($1.5M) x 4 (annualized):
= $ 6,000,000
Annual Projected Gap = $ 4,000,000

$4,000,000 x 0% = $0.00 Quarterly True-up payment

2nd Quarter
Actual revenue 1st and 2nd Quarter:
January = $ 400,000
February = $ 500,000
March = $ 600,000
April = $ 600,000
May = $ 700,000
June = $ 700,000
Total = $ 3,500,000

CARC = $12,000,000
Less projected MVP discount = $ 2,000,000
Sub total = $10,000,000
Less actual 6 months revenue ($3.5M) x 2 (annualized):
= $ 7,000,000
Annual Projected Gap = $ 3,000,000

$3,000,000 x 25% = $750,000 Quarterly True-up payment

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 - MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

Example B: Quarterly True-up (Cont'd)

3rd Quarter

Actual revenue 1st, 2nd and 3rd Quarter
January = $ 400,000
February = $ 500,000
March = $ 600,000
April = $ 600,000
May = $ 700,000
June = $ 700,000
July = $ 500,000
August = $ 600,000
September = $ 665,038
Total = $ 5,265,038

CARC = $12,000,000
Less projected MVP discounts = $2,000,000
Sub total = $10,000,000
Less (9 months actual revenue + 2nd Quarter Gap payment) x 1.33:
($5,265,038 + $750,000) x 1.33 = $8,000,000
Annual projected Gap = $2,000,000

$2,000,000 x 66% = $1,320,000 Quarterly True-up payment

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.6 Quarterly True Up (Cont'd)

(B)(Cont'd)

Example B: Quarterly True-up (Cont'd)

Quarter 4
Actual revenue 1st, 2nd, 3rd and 4th Quarter

January	= $	400,000
February	= $	500,000
March	= $	600,000
April	= $	600,000
May	= $	700,000
June	= $	700,000
July	= $	500,000
August	= $	600,000
September	= $	665,038
October	= $	500,000
November	= $	550,000
December	= $	614,962
Total	= $	6,930,000

CARC	= $12,000,000
Less projected MVP discounts	= $ 2,000,000
Sub total	= $10,000,000
Less (12 months actual revenue + 2nd & 3rd Quarter Gap payment):	
$6,930,000 + $750,000 + $1,320,000	= $ 9,000,000
Annual Projected Gap	= $ 1,000,000

$1,000,000 x 100% = $1,000,000 Quarterly True-up payment

In the example above at the end of the 4th Quarter the Customer's actual revenue plus the Customer's Quarterly Gap payments, plus projected MVP discounts will equal the CARC.

$6,930,000 + $750,000 + $1,320,000 + $1,000,000 + $2,000,000 = $12,000,000

(C) SBC will provide customer a quarterly gap payment bill (if applicable) within 30 days after the end of the quarter.

(D) If at the end of either contract anniversary date (December 31, 2004 or December 31, 2005) the customer has exceeded their CARC (actual revenue + gap payments) and have made Quarterly Gap Payments, SBC will credit the customers account the amount exceeding the CARC, but not greater than the total gap payments the customer has made.

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings (Cont'd)

33.20 Contract Offer No. 20 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.20.7 Termination Liability Charges

If the Customer terminates service before the completion of the term for any reason whatsoever the customer agrees to pay the Telephone Company termination liability charges described below. These charges shall become due as of the effective date of the cancellation of termination. The Customer must provide written notification 60 days prior to the desired date of termination to the Telephone Company.

If the Customer fails to meet any of the eligibility criteria in section 33.20.3 or fails to maintain any of the Terms and Conditions in section 33.20.4, the Customer will be deemed to have terminated its participation in Contract Offer No. 20 and termination liability charges pursuant to section F.C.C. No. 1 Section 2.4.

Customers termination liability shall be equal to:

(A) 100% of all Discounts received under this Contract Offer No. 20 during the six (6) months immediately prior to the date of termination, plus;

(B) 25% of the CARC for each year in the remaining portion of the Term Period.

Any previous gap payments paid by the customer will be forfeited.

Example C:

The Customer signs up for Contract Offer No. 20 on November 1, 2003. The Customer terminates its participation in Contract Offer No. 20 effective September 15, 2004. The termination liability charge that would apply is calculated as follows:

Annual CARC = $12M
Monthly CARC = $12M / 12 months = $1M
Number of months remaining in contract = 15.5
Remaining value of CARC = 15.5 x $1M = $15.5M
25 % of remaining value of CARC = .25 x $15.5M = $3.875M
March 2004 - August 2004 discounts = $500K

Total Termination Liability Charge = $3.875M + $500K = $4.375M

[1] See footnote (1) on page 33-143

33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (D)

33.21.1 General Description

[1] and [1] Capacity offer (Contract Offer No. 21)is an access discount plan that permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas, (hereafter referred to as MSAs) to receive the discounts described in Section 33.21.5 for five new [1] and/or SONET Ring Access Services in any combination, and on 2 renewing OC48 SONET Ring Access Services(SRAS). The contract will also provide the Customer a discount on new DS3, [1], [1], [1], [1], and [1] subtending circuits. The Customer must meet the eligibility criteria described in section 33.21.3. The discounts are also available based on the terms and conditions contained in section 33.21.4. This contract Offer No. 21 is available in the MSAs listed in section 33.21.4(B)1. (D) (D) (D) (D)

33.21.2 Services Available Under Contract Offer No. 21

(A) Contract offer No. 21 applies to pricing flexibility-qualified access services contained in the following respective tariff sections:

- Pacific Bell OC-48 SONET Ring and Access Services-Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.10;
- [1]; (D)
- [1]. (D)

Hereafter referred to as “Subject Services”

[1] Material previously contained in this section has been deleted. DSRS and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission’s Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 21 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions’ website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (Cont'd) (D)

33.21.2 Services Available Under Contract Offer No. 21 (Cont'd)

Subtending Circuits:

- Pacific Bell DS1 Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.7;
- Pacific Bell DS3 Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.7;
- [1]. (D)

All terms and conditions for the qualified services listed above are governed by the respective tariff sections as noted herein.

33.21.3 Contract Offer No. 21 - Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 21 discounts:

(1) Service must be a pricing –flexibility-qualified service listed in section 33.21.2(A);
(2) Service must be located in an MSA listed in Section 33.21.4 (B)(1);
(3) Customer must purchase three (3) new Subject Services to qualify for this service offering;
(4) Customer must renew two existing OC-48 SONET Rings and Access Services that they have purchased in 2003 to qualify for this service offering.

[1] See footnote (1) on page 33-153

33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (Cont'd) (D)

33.21.4 Contract Offer No. 21 - Terms and Conditions

(A) Term Period

The contract term period is five (5) years on the [1] [1], and OC48 SRAS renewing services commencing on the date billing begins. Contract term periods are one (1), two (2), or three (3) years on any DS1 subtending services commencing on the date billing begins. Contract term periods are one (1), or three (3) years on DS3 or [1] subtending services commencing on the date billing begins. Billing commences no more than five (5) days following the Telephone Company's completion of the service order. This offer is not renewable. (D) (D)

If at the expiration of the Customer's contract Term Period, Customer elects to continue service, customer shall select from payment options previously outlined in Section 7.5.9, 7.5.13, [1], [1] for Phase 1 MSAs and Section 31.5.2.10, [1] and [1] for Phase 2 MSAs. If the customer does not elect an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 7.5.9, 7.5.13, [1], [1] for Phase 1 MSAs and Section 31.5.2.10, [1] and [1] for Phase 2 MSAs. (D) (D) (D) (D)

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 21 as listed in Section 33.21.5. Purchase of the services listed above under Contract Offer No. 21 are also subject to certain rates and charges in sections 2-General regulations, 5-Ordering Options for Switched and Special Access Service, 13-Additional Engineering, Additional Labor & Miscellaneous Services and 31-Metropolitan Statistical Area Access Services (as related to rates referred to in Section 31.5), as applicable and such rates and charges may be modified through the filing of tariff changes at any time during the Term Period.

[1] See footnote (1) on page 33-153

33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (Cont'd) (D)

33.21.4 Contract Offer No. 21 - Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 21 is only available for facilities located in the following Metropolitan Statistical Areas:

- Fresno, Los Angeles/Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton, California

(2) This Contract Offer No. 21 is only available December11, 2003 through January 11, 2004.

(3) If the Customer should discontinue service as defined in Section 33.21.6 under this Contract Offer No. 21 during the term period of this agreement, termination liability charges will apply in accordance with Section 33.21.6.

(4) Customer agrees to subscribe to the services available under this Contract Offer No. 21 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched & Special Access Service. Customer agrees to pay special construction charges as referenced in F.C.C. 2.

(5) Customer agrees to place access service order request for the three new subject services at time of subscription to this Contract Offer No. 21.

(6) Customer has the option to purchase two (2) new Subject Services at the same discounts by December 31, 2004.

(7) Customer must place access service order requests to renew two existing OC-48 SRAS services at the time of subscription to this Contract Offer No. 21.

(8) Customer may place access service order requests for the subtending circuits at anytime in the Subject Services five year term period.

(9) If after the Customer has signed the Telephone Company's Letter of Authorization - Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

[1] See footnote (1) on page 33-153

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33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (Cont'd) (D)

33.21.4 Contract Offer No. 21 - Terms and Conditions (Cont'd)

(B)(Cont'd)

(10) Revenues under this Contract Offer No. 21 will not be eligible for inclusion in the Managed Value Plan(MVP) and Sunrise offerings.

(11) Customer agrees not to resell any capacity on services covered under this Contract Offer No. 21 to a third party.

(12) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with this Contract Offer No. 21 that might be offered by the Telephone Company for services covered under this Contract Offer No. 21.

(13) Customer commits to a 50% fill rate on the new Subject Services, by the end of the second year in the 5 year Term Period.

[1] See footnote (1) on page 33-153

33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (Cont'd) (D)

33.21.5 Contract Offer No. 21 Term Discounts

Under this Contract Offer No. 21, the Customer will receive discounts on the following rates in Tariff sections below:

- Pacific Bell OC-48 SONET Ring and Access Services- Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 7.5.13 for Phase 1 MSAs, or Section 31.5.2.10 for Phase 2 MSAs;
- [1]; (D)
- [1]. (D)

Subtending Circuits:

- Pacific Bell DS1 Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 7.5.9 for Phase 1 MSAs, or Section 31.5.2.7 for Phase 2 MSA's;
- Pacific Bell DS3 Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 7.5.9 for Phase 1 MSAs, or Section 31.5.2.7 for Phase 2 MSAs;
- [1]. (D)

The discount percentages are noted in the following Term Pricing Plan (TPP) table below:

Service	1 year TPP discount	2 year TPP discount	3 year TPP discount	5 year TPP discount	
[1]					(D)
[1]					(D)
OC48 SRAS (renewing)	0%	NA	0%	45%	
DS1 subtending	15%	25%	35%	35%	
DS3 subtending	17%	NA	35%	35%	
[1]					(D)

[1] See footnote (1) on page 33-153

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33. Pricing Flexibility Contract Offerings

33.21 Contract Offer No. 21 – [1] and [1] Capacity Offer (Cont'd) (D)

33.21.6 Termination Liability

Termination liability as described below applies in lieu of the termination liability language contained in section 7.4.16. If Customer terminates Contract Offer No. 21 before the completion of the term period for any reason, the Customer agrees to pay The Telephone Company termination liability charges as described below. If the customer is not in compliance with the Eligibility Criteria in Section 33.21.3 or the Terms and Conditions in Section 33.21.4, termination liability charges will apply. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described in section 7.4.16. Customer's termination liability charges for termination of service shall be equal to:

- 50% of all recurring charges for the balance of the Customers three (3) or five (5) year Term Period for the Subject Service that the customer has terminated.

- All remaining in-service Subject Services will convert back to the prevailing tariff rates at the term that the customer signed up for. Prevailing tariff rates are highlighted in Section 7.5.9, 7.5.13, [1], [1] for Phase 1 (D)
  MSAs and Section 31.5.2.10, [1] and [1] for Phase 2 MSAs. (D)

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)
Example: A Customer with a $20,000 monthly rate on a Subject Service terminates service after two years and has thirty-six months remaining in a five year billing period. The termination liability charge would be calculated as:

$20,000 X 36 X 50% = $360,000 termination liability charge

[1] See footnote (1) on page 33-153

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term

33.22.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCES SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.22.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Fresno, CA
- Los Angeles-Long Beach et al., CA
- Oxnard-Simi Valley-Ventura, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Santa Rosa-Petaluma, CA
- Stockton, CA (N)

ACCES SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.22.2 Contract Terms

(A) Contract Offering No. 22 is available during the purchase period which begins January 31, 2004 and ends July 31, 2004.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 22.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 22 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.22.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 22 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 22 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 22 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 22 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 22.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 22 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.22.2(L). The termination charge for Contract Offering No. 22 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 22 terminated and the termination charges described in 33.22.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.22.3(B).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.22.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 22 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.22.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 22 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 22, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 22.

(M) Contract Offering No. 22 is not available as a Fiber Advantage DS1 service.

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 22 terminated. If Contract Offering No. 22 is terminated during the initial contract term, the termination charges described in 33.22.2(J) apply.

(N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.22.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.22.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.15(B) and the Service Rearrangement Charge reflected in 33.22.3(B) applies.

33.22.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.22 Contract Offering No. 22 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.22.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term

33.23.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.23.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Fresno, CA
- Los Angeles-Long Beach et al., CA
- Oxnard-Simi Valley-Ventura, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Santa Rosa-Petaluma, CA
- Stockton, CA

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.23.2 Contract Terms

(A) Contract Offering No. 23 is available during the purchase period which begins January 31, 2004 and ends July 31, 2004.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 23.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 23 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

(This page filed under Transmittal No. 149)

Issued: January 30, 2004 Effective: January 31, 2004

Four AT&T Plaza, Dallas, Texas 75202

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.23.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 23 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 23 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 23 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 23 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 23.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 23 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.23.2(L). The termination charge for Contract Offering No. 23 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 23 terminated and the termination charges described in 33.23.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.23.2(B). (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.23.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 23 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.23.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 23 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 23, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 23.

(M) Contract Offering No. 23 is not available as a Fiber Advantage DS1 service.

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 23 terminated. If Contract Offering No. 23 is terminated during the initial contract term, the termination charges described in 33.23.2(J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.23.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.23.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.23.3(B) applies.

33.23.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.23 Contract Offering No. 23 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.23.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service – Three Year Term

33.24.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

(N)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.24.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Fresno, CA
- Los Angeles-Long Beach, CA
- Oxnard-Simi Valley-Ventura, CA
- Sacramento, CA
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Santa Rosa-Petaluma, CA
- Stockton, CA

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.24.2 Contract Terms

(A) Contract Offering No. 24 is available during the purchase period which begins January 31, 2004 and ends July 1, 2004.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 24.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 24 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.24.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 24 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 24 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 24 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 24 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 24.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 24 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.24.2(L). The termination charge for Contract Offering No. 24 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.24.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 24 terminated and the termination charges described in 33.24.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 24 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.24.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 24 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 24, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 24.

(M) Contract Offering No. 24 is not available as a Fiber Advantage DS1 service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.24.2 Contract Terms (Cont'd)

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 24 terminated. If Contract Offering No. 24 is terminated during the initial contract term, the termination charges described in 33.24.2(J) apply.

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.24.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.24.3(B) applies. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.24 Contract Offering No. 24 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.24.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$250.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (D)

33.25.1 General Description

DS1, DS3, [1] Service Offer (Contract Offer No. 25) is an access discount pricing plan where subscription is required in three of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, and Pacific Bell Telephone Company. The plan requires Customers to maintain a Minimum Annual Revenue Commitment (MARC) for five (5) years. Contract Offer No. 25 is available to any Customer with at least twenty-five (25) million dollars in cumulative annual revenue for qualified access services in three of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, and Pacific Bell Telephone Company. The qualified access services for the Pacific Bell Telephone Company (PBTC) is listed in Section 33.25.2(C) following. Customer must meet the eligibility criteria as described in Section 33.25.2 and the terms and conditions as described in Section 33.25.3. (D)

Customer must meet a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year term. In the event the Customer does not meet its MARC as of each anniversary date, the Customer will be required to remit a payment, via the Annual True-Up process described in Section 33.25.6, otherwise termination liability charges will apply. Contract Offer No. 25 will only be available March 6, 2004 through April 6, 2004.

33.25.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 25 discounts:

(1) Contract Offer No. 25 is only available for circuits located in the following Metropolitan Statistical Areas:

(a) Fresno, Los Angeles/Long Beach, Oxnard/Ventura,
(b) Sacramento, San Diego, San Francisco/Oakland,
(c) San Jose, Santa Rosa, and Stockton, CA.

(2) Customer cannot subscribe concurrently with SBC’s MVP offering in Section 22;

(3) Customer must have a minimum of $25 million dollars in cumulative annual recurring revenue for DS1, DS3, [1], and [1] in three of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, and Pacific Bell Telephone Company; (D)

[1] Material previously contained in this section has been deleted. DSRS OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission’s Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 25 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions’ website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.2 Eligibility Criteria (Cont'd)

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 25 discounts (Cont'd):

(4) The Customer and its affiliates must maintain an Access Service Ratio, equal to or greater than 95%. The Service Ratio is defined in Section 33.25.3(B)(7) and will be measured on each anniversary of the Contract Offer No. 25 effective date.

(B) Customer must concurrently subscribe to the identical contract offers of Contract Offer No. 25 pursuant to the following tariffs:

(1) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 20.
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 27.

(C) Contract Offer No. 25 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) DS1/DS3 Service - PBTC Tariff F.C.C. No. 1, Section 31.5.2.7 and Section 7.5.9;
(2) [1]; (D)
(3) [1] 31.5.2.7, and Section 7.5.9. (D)

All terms and conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein.

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.3 Terms and Conditions

(A) Term Period

The contract term is five (5) years, (Term Period) commencing on the date the Telephone Company receives a completed Letter of Authorization (LOA) from the Customer. Contract Offer No. 25 is not renewable.

Purchase of the Subject Services are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However such tariff modifications will not change the terms and conditions described in Contract Offer No. 25.

(B) Terms and Conditions

(1) Subject Services to which the Customer already subscribes as of the commencement of the Term Period will receive discounts effective upon the commencement of the Term Period. The discount will be in the form of Annual Billing Credits applied 45 days after the contract anniversary date.

(2) Subject Services purchased after the commencement of the Term Period will receive the discounts only after the Telephone Company issues a completed service order. The discount will be in the form of Annual Billing Credits applied 45 days after the contract anniversary date.

(3) Annual billing credits will be issued for every year in which the Subject Services that have been either converted or are purchased in compliance with the eligibility criteria in Section 33.25.2.

(4) If the Customer should discontinue service under Contract Offer No. 25 during the Term Period, termination liability charges will apply in accordance with Section 33.25.7.

(5) Customer must maintain a MARC (as described in Section 33.25.4) for each year in the Customer's Term Period.

(6) Customer must pay an annual true-up amount if they fail to meet their MARC commitment as described in Section 33.25.6.

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) As referenced in Section 33.25.2(A)(4), the Customer and its affiliates must maintain an Access Service Ratio of 95% or greater. The ratio, calculated annually is the Annual Access Revenue minus Annual Wholesale Revenue, (the associated rate elements not included in the interstate tariff) divided by the total qualified Annual Access Revenue. To maintain compliance with Contract Offer No. 25, the ratio must be greater than or equal to 95%.

The 95% ratio is calculated as follows:

$$\frac{\text{Annual Access Revenue} - \text{Annual Wholesale Revenue}}{\text{Annual Access Revenue}}$$

(a) Where the Annual Access Revenue is the Customer's and its affiliates' current interstate annual recurring billed revenue associated with the rate elements, as defined in Table A below:

TABLE A:

Service	General/Basic Description	
Entrance Facilities	6.7.1 (D)(1)	
Direct Transport Services	6.7.1 (D)(2)	
Direct Analog	7.2.3	
Base Rate, DS1 and DS3 Services	7.2.9	
[1]		(D)
[1]	7.2.11 & [1]	(D)

(b) Annual Wholesale Revenue is the Customer's and its affiliates' annual recurring billed revenue for associated rate elements as defined in Table B below not included in the interstate or intrastate tariff(s).

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, SONET Service Offer (Cont'd) (Z)

33.25.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) (Cont'd)

TABLE B:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3/LT3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OC-3 OC-12 OC-48	OC-3 Entrance Facilities (Z) OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service (Z)
Other Transport Products	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7)(c) As new rate elements are introduced and are added to table B in Section 33.25.3(B)(7), all recurring revenues associated with the new associated rate elements will automatically be added to the Customer's Annual Wholesale Revenue as defined in Section 33.25.3(B)(7)preceding, for calculation of the Access Service Ratio.

(d) If the Customer fails to meet the Access Service Ratio in any given year of the term, upon notification from the Telephone Company, the Customer has five (5) business days to notify the Telephone Company in writing that it will meet or exceed the 95% Access ratio within 60 days. Failure to notify in five (5) days and/or failure to rectify in 60 days will cause termination of Contract Offer No. 25 and termination liability charges will apply as set forth in Section 33.25.7.

(8) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with Contract Offer No. 25 that might be offered by the Telephone Company for Subject Services covered under Contract Offer No. 25.

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 25 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(9)(Cont'd)

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(10) Any disputed billing amounts that have been resolved in favor of the Telephone Company and are due and payable as described in Section 2.4.

If Customer has not remitted payment on undisputed billing for a period of 60 days, the Customer is deemed to have terminated Contract Offer No. 25 and termination liability charges will apply as stated in Section 33.25.7.

33.25.4 Minimum Annual Revenue Commitment (MARC)

Under Contract Offer No. 25, Customer must maintain a MARC. The MARC will be calculated as outlined below in Section 33.25.4 (A). The MARC for the first year will be established as soon as the Telephone Company receives the Letter Of Authorization (LOA) from the Customer.

(A) Determining the Minimum Annual Revenue Commitment

The Customer's MARC for Year 1 is calculated based on the total of the previous three (3) months recurring revenue for all Subject Services in three of the SBC Companies: (Ameritech Operating Companies, Southwestern Bell Telephone Company, and Pacific Bell Telephone Company), multiplied by four (4):

(Prior 3 months recurring revenue) x 4 = YEAR 1 MARC
The MARC for years 2 through 5 will be recalculated at each annual contract anniversary date. The MARC for years 2 through 5 will be calculated as follows:

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Determining the Minimum Annual Revenue Commitment (Cont'd)

Total of the previous three (3) months recurring revenue for all Subject Services, multiplied by four (4), multiplied by 95%. If the recalculated MARC is greater than the previous year's MARC, the newly recalculated MARC will apply. If the recalculated MARC is less than the previous year's MARC, the previous year's MARC will carryover for the new year.

Example for Year 2 MARC Establishment:

Prior 3 months recurring revenue) x 4 x 95%

If the Value calculated is greater than the YEAR 1 MARC, then the newly calculated MARC will be used as the YEAR 2 MARC.

If the Value is less than the YEAR 1 MARC, then the YEAR 1 MARC will be used for YEAR .

(B) Failure to Achieve the MARC

If the Customer fails to achieve the Annual MARC for any year, it must comply with one of the options below:

(1) The Customer pays the difference between the Annual MARC for the current plan year and the actual annual recurring revenue for the Subject Services as set forth in the true-up Section 33.25.6; or

(2) The Customer terminates its Contract Offer No. 25 and pays termination liability charges as set forth in Section 33.25.7, following.

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 - DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.5 Discounts

Table C below contains the proposed level of discounts for Contract Offer No. 25.

TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	7%	20%
2	7%	20%
3	7%	20%
4	9%	20%
5	9%	20%

The Customer will receive the MARC Discount on recurring revenues meeting the MARC. The Customer will receive a 20% Discount on Recurring Revenues above the MARC. The discount will be in the form of a credit applied annually 45 days after the contract anniversary date.

Example for Year 1:

Customers MARC = $25M
Customers actual annual recurring revenues for Subject Services = $30M
Customer will receive a 7% discount on $25M and a 20% discount on $5M

(1) The Telephone Company will waive the following Non-Recurring charges, Design and Central Office Connection Charge per Circuit; Section 31.5.2, 7.5 and Customer Connection Charge per termination; Section 31.5.2, 7.5, associated with the purchase of DS1, DS3, [1], and [1]. (D)

(2) The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the term of this Contract Offer No. 25, provided that the eligibility criteria in Section 33.25.2, and terms and conditions in Section 33.25.3 have been met.

(3) The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS3s throughout the term of this Contract Offer No. 25 as long as the DS3 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 33.25.2 and terms and conditions in Section 33.25.3 have been met.

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 – DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.6 Annual True-Up

If the Customer fails to achieve the annual MARC commitment as of the anniversary dates, the Customer will be notified by the Telephone Company and will be required to remit an Annual True-Up payment to reach the MARC commitment. The true-up calculation will be performed as follows:

Annual MARC - Actual Annual recurring for Subject Services = Annual True-Up Amount

If the Telephone Company does not receive the Annual True-Up amount within 30 days of its notification, the Customer is deemed to have terminated its Contract Offer No. 25 and termination liability charges will apply as set forth in Section 33.25.7.

[1] See footnote (1) on page 33-181

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.25 Contract Offer No. 25 – DS1, DS3, [1] Service Offer (Cont'd) (D)

33.25.7 Termination Liability Charges

If the Customer terminates service before the completion of the term for any reason whatsoever, the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 60 days prior to the desired date of termination to the Telephone Company.

If the Customer fails to meet any of the eligibility criteria in Section 33.25.2, or fails to meet any of the Terms and Conditions in Section 33.25.3, the Customer will be deemed to have terminated its participation in Contract Offer No. 25 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Section 2.4.

Customer's termination liability charge shall be equal to:

100% of all Discounts under Contract Offer No. 25 for the six (6) months immediately prior to the date of termination; plus the following schedule:

(1) If terminated in Year 1, 10% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the agreement.

(2) If terminated in Year 2 , 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the agreement.

(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the agreement.

(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5.

(5) If terminated in Year 5, 10% of the Year 5 MARC for the remaining portion of Year 5.

[1] See footnote (1) on page 33-181

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term

33.26.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 - Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.26.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

(1) Fresno, CA
(2) Los Angeles-Long Beach et al., CA
(3) Oxnard-Simi Valley-Ventura, CA
(4) Sacramento, CA
(5) San Diego, CA
(6) San Francisco-Oakland, CA
(7) San Jose, CA
(8) Santa Rosa-Petaluma, CA
(9) Stockton, CA (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.26.2 Contract Terms

(A) Contract Offering No. 26 is available during the purchase period which begins July 31, 2004 and ends October 31, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 26.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 26 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.26.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 26 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 26 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 26 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 26 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 26.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 26 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.26.2(L). The termination charge for Contract Offering No. 26 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 26 terminated and the termination charges described in 33.26.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.26.3(B).

(N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.26.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 26 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.26.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 26 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 26, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 26.

(M) Contract Offering No. 26 is not available as a Fiber Advantage DS1 service.

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 26 terminated. If Contract Offering No. 26 is terminated during the initial contract term, the termination charges described in 33.26.2(J) apply.

(N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.26.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.26.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.15(B) and the Service Rearrangement Charge reflected in 33.26.3(B) applies.

33.26.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.26 Contract Offering No. 26 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.26.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term

33.27.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.27.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

(1) Fresno, CA
(2) Los Angeles-Long Beach et al., CA
(3) Oxnard-Simi Valley-Ventura, CA
(4) Sacramento, CA
(5) San Diego, CA
(6) San Francisco-Oakland, CA
(7) San Jose, CA
(8) Santa Rosa-Petaluma, CA
(9) Stockton, CA (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.27.2 Contract Terms

(A) Contract Offering No. 27 is available during the purchase period which begins July 31, 2004 and ends October 31, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 27.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 27 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.27.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 27 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 27 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 27 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 27 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 27.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 27 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.27.2(L). The termination charge for Contract Offering No. 27 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 27 terminated and the termination charges described in 33.27.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.27.2(B). (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.27.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 27 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.27.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 27 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 27, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 27.

(M) Contract Offering No. 27 is not available as a Fiber Advantage DS1 service.

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 27 terminated. If Contract Offering No. 27 is terminated during the initial contract term, the termination charges described in 33.27.2(J) apply. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.27.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.27.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.27.3(B) applies.

33.27.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.27 Contract Offering No. 27 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.27.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service – Three Year Term

33.28.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service – Three Year Term (Cont'd) (N)

33.28.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

(1) Fresno, CA
(2) Los Angeles-Long Beach, CA
(3) Oxnard-Simi Valley-Ventura, CA
(4) Sacramento, CA
(5) San Diego, CA
(6) San Francisco-Oakland, CA
(7) San Jose, CA
(8) Santa Rosa-Petaluma, CA
(9) Stockton, CA

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.28.2 Contract Terms

(A) Contract Offering No. 28 is available during the purchase period which begins July 31, 2004 and ends October 31, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 28.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 28 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.28.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 28 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 28 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 28 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 28 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 28.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 28 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.28.2(L). The termination charge for Contract Offering No. 28 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.28.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 28 terminated and the termination charges described in 33.28.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 28 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.28.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 28 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 28, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 28.

(M) Contract Offering No. 28 is not available as a Fiber Advantage DS1 service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.28.2 Contract Terms (Cont'd)

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 28 terminated. If Contract Offering No. 28 is terminated during the initial contract term, the termination charges described in 33.28.2(J) apply.

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.28.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.28.3(B) applies.

(N)

(This page filed under Transmittal No. 164)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.28 Contract Offering No. 28 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.28.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$250.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$ 40.00		1ZZPZ (N)
Special Access Surcharge	$ 25.00	N/A		S25

33. Pricing Flexibility Contract Offerings

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

33.29.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 29) is an access discount plan that provides Customers with Incentive Discounts and Portability Incentives (as defined in Section 33.29.4) in accordance with the terms and conditions as set forth in this Section 33.29.3.

33.29.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 29 applies to qualified access services contained in Pacific Bell Telephone Company Tariff F.C.C. No. 1 (Qualified Access Services), listed in Table A below:

Table A

Service	General Basic Description	Rates and Charges		
High Capacity Service	7.2.9	7.5.9	31.5.2.7	
(1)				(D)
Broadband Circuit Service (BCS)	20.1	20.3	31.5.2.11	
Fiber Advantage Service	7.2.9	7.5.9	31.5.2.7	
(1)				(D)
SONET Ring And Access Service (SRAS)	7.2.11	7.5.13	31.5.2.7	
(1)				(D)
(1)				(D)

(B) When additional Qualified Access Services are added to the services available under F.C.C. No. 1, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 29 for the purposes of calculating the Incentive Discounts and Portability Incentives included in this Contract Offer No. 29.

(1) Material previously contained in this section has been deleted. DSRS GigaMAN, MON, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 29 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.2 Services Available Under WAMS-VIP Offer (Cont'd)

(C) All terms and conditions for the Qualified Access Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 29.

33.29.3 WAMS-VIP Offer Terms and Conditions

The following terms and conditions apply to Contract Offer No. 29:

(A) Eligibility Criteria

(1) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in F.C.C. No. 1, Section 14 (Operating Territory);

(2) Incentive Discounts earned by the Customer under Contract Offer No. 29 shall be applied in the form of a credit to the Customer's bill(s) for Qualified Access Services, located in the following MSAs where Telephone Company has been granted pricing flexibility:

Bakersfield, Fresno, Los Angels/Long Beach, Modesto, Oxnard-Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton California;

(3) Customer must renew thirteen (13) existing OC-48 SONET Ring and Access Service (SRAS), as described in Section 33.29.4(C); and

(4) All traffic on the Qualified Access Service(s) must originate or terminate on a wireless carrier's network.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Revenue commitments are based on billed, recurring charges for the Qualified Access Services and specifically exclude any non-recurring charges and Incentive Discounts earned under this Contract Offer No. 29;

(2) Customer must maintain a Baseline Minimum Annual Revenue Commitment of $27,500,000 (Baseline MARC) for Qualified Access Services;

(3) Contract Offer No. 29 Incentive Discounts and Portability Incentives are in addition to, and do not alter, any of the existing service discount/term plans available in the Telephone Company's respective tariffs; except that billed, recurring revenues that are discounted under Contract Offer No. 29 are not eligible under the Managed Value Plan (MVP) offered in F.C.C. No. 1, Section 22, nor are billed, recurring revenues under MVP eligible for discounts under this Contract Offer No. 29;

(4) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 29. In the event such rate modifications are made no change will be made to the Baseline MARC;

(5) Qualified Access Services are subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services) and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No. 29;

(6) This Contract Offer No. 29 is available October 9, 2004 through November 9, 2004;

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) The Customer must meet the criteria described for Incentive Discounts and Portability Incentives, as provided in Section 33.29.4; and

(8) To subscribe to Contract Offer No. 29, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS shall contain the effective date ("Effective Date") and the Access Customer's Name Abbreviation(s) (ACNA) and must be signed by the Customer and the Telephone Company's representative.

(C) Term Period

The contract term (Term Period) is eighty-four (84) months commencing on the Effective Date. Each twelve (12) month period beginning with the Effective Date shall be a Term Year. At the end of the Term Period, the Incentive Discounts and Portability Incentives provided in this Contract Offer No. 29 shall be discontinued. This offer is not renewable.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts

Customer will be eligible for the following Incentive Discounts and/or Portability Incentives (collectively "Incentives") under Contract Offer No. 29 during each of the Term Years:

Incentive Discount Commitment Credit (IDCC),
Incentive Discount for [1] Services – [1],
Incentive Discount for WinBack Services (WinBack Incentive), and (D)
Portability Incentive for DS3s (Portability Incentive).

(A) Incentive Discount Commitment
In order to qualify for the IDCC and Portability Incentives, Customer must maintain the "Incentive Discount Commitment" (IDC):

(1) Establishment of the IDC

(a) For Term Year one (1) the Customer's IDC will equal the Baseline MARC.

(b) Unless and until Customer elects to increase the IDC, as provided in Section 33.29.4(A)(1)(c), the IDC during Term Years two (2) through seven (7) shall remain the Baseline MARC.

(c) Customer may elect, by providing written notice to Telephone Company, to increase the IDC. Customer shall notify the Telephone Company of the new IDC Level, as provided in Table B in Section 33.29.4(B). The Customer may increase the IDC Level only; the IDC Level may not be decreased. An IDC Level may be increased effective at the beginning of each Term Year, after the first Term Year, and after the first six (6) months of each Term Year (New IDC Date). Each time Customer chooses a new IDC Level, the corresponding IDC and IDCC shall apply as of the New IDC Date and for the remainder of the Term Period, unless Customer further increases the IDC as provided in this section.

(2) Application of Incentive Discount Commitment
If during the Annual True-Up, as defined in Section 33.29.5(A), the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the IDCC and Portability Incentives for the following Term Year, provided the criteria in Section 33.29.4(B) and (E)respectively, are met. During the first Term Year, the Telephone Company will apply the IDCC based upon IDC Level 1.

[1] See footnote (1) on page 33-213

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(A) Incentive Discount Commitment (Cont'd)

(2) Application of Incentive Discount Commitment (Cont'd)

Example: After Term Year one (1), the Customer's Achieved Revenue Amount, determined by the Annual True-Up, equals $31,000,000 and the IDC is $27,500,000. Since the Achieved Revenue Amount exceeds the IDC and the Customer has not provided notice to increase the IDC to a new IDC Level, the Telephone Company would apply the IDCC, and Portability Incentives in Term Year two (2), based on the Customer's IDC of $27,500,000.

(3) Notwithstanding the above, Incentives shall not be applied unless and until the Customer is current in paying (or properly disputing) all invoices submitted for payment by the Telephone Company for billed, recurring revenue for Qualified Access Services in accordance with F.C.C. No. 1, Section 2.

(B) Incentive Discount Commitment Credit for Qualified Access Services

For each Term Year, the Customer will be eligible for an "Incentive Discount Commitment Credit" (IDCC) according to Table B, per sub-section (1) below.

Table B

IDC Level	IDC	IDCC
1	$ 27,500,000	$ 2,475,000
2	$ 30,000,000	$ 3,000,000
3	$ 32,500,000	$ 3,900,000
4	$ 35,000,000	$ 4,900,000
5	$ 37,500,000	$ 5,625,000
6	$ 40,000,000	$ 6,800,000
7	$ 42,500,000	$ 8,500,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(B) Incentive Discount Commitment Credit for Qualified Access Services (Cont'd)

(1) Application of Incentive Discount Commitment Credit

(a) The Telephone Company will apply the IDCC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDCC per Section 33.29.4(A),as follows: One-quarter of the IDCC will be applied thirty (30) days in arrears from the end of the first, second, third and fourth quarters of the Term Year, based on the IDCC determined under Section 33.29.4(B)(1)(b)and 33.29.4(B)(1)(c) below.

(b) The IDCC applied during the four (4) quarters of Term Year one (1) shall be based upon IDC-Level 1.

(c) The IDCC applied during the four (4) quarters for Term Years two (2) through seven (7) will be based upon the IDC-Level determined using the IDC established in Section 33.29.4(A).

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (D)

(1) [1] Services Renewals: (D)

Upon submission of the LOS, thirteen (13) of Customer's existing OC-48 SRAS are renewed for eighty-four (84) months concurrent with the Term Period.

(a) The pricing for the thirteen (13) OC-48 SRAS shall be a flat monthly recurring rate of $372,758 during the Term Period.

(b) If the Customer requests additional ports, nodes, miles or other OC-48 SRAS services not in service at the time the Customer subscribes to this Contract Offer No. 29, the Customer will pay the tariff rates for those additions as contained in F.C.C. No. 1, Section 33.29.4 (C)(2) Table D.

(c) If a node is added to the OC-48 SRAS, the new node will be co-terminus with the initial Term Period. However, if a node is added during the last twelve (12) months or less of the Term Period, the Customer will be billed the node MRC for a minimum period of twelve (12) months.

(d) If the Customer requests modifications to the OC-48 SRAS covered under this Contract Offer No. 29, the Customer will pay the Telephone Company time and material charges for each Customer request, as described in F.C.C. No. 1, Section 13. Modification of the existing OC-48 SRAS network design are limited to: rearrangement of existing ports, shelf arrangements, node moves, ring design provisioning changes and customer premise rearrangements.

[1] See footnote (1) on page 33-213

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(1) [1] Services Renewals: (Cont'd) (D)

(e) Customer may at any time upgrade any one of the renewed OC-48 SRAS(s) to a higher speed service, without incurring termination liability charges, providing the following criteria are met:

(i) The aggregate of the monthly payments of the upgraded service over the term of such service ("Upgrade Service Revenue Value") must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period ("Existing Service Revenue Value"). The Existing Service Revenue Value MRC must be equal to $28,670 per OC-48 SRAS;

(ii) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade; or

(iii) The Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate the requested OC-48 and termination liability charges as determined in accordance with Section 33.29.4(C)(1)(f)and(g)below will apply.

[1] See footnote (1) on page 33-213

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(1) [1] Services Renewals: (Cont'd) (D)

(f) If the Customer terminates any of the thirteen (13) OC-48 SRAS renewal services before completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges equal $14,335 for the balance of the Customer's eighty-four (84) month Term Period for each terminated OC-48 SRAS.

(g) Termination charges shall become due as of the date of termination and are payable as described in F.C.C. No 1, Section 7.4.16.

Example: Customer terminates two (2) OC-48 SRAS after sixty months (60) months and has twenty-four (24) months remaining in a eight-four (84) month term plan. The termination liability would be calculated as:

$14,335 X 2 X 24 = $688,080 termination liability charge

[1] See footnote (1) on page 33-213

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(2) [1] Services New: (D)

The Customer is eligible for "Incentive DiscountPricing", as set forth in Table C, D and E below, under this Contract Offer No. 29 towards the purchase of new [1] Services with a seven (7) year term ([1]-Incentive Discounts). All terms and conditions for the new [1] Services are governed by their respective tariff sections: (D)(D)(D)

Table C

[1]	USOC	MRC
[1]		$14,120.00
		$12,560.00
[1]		$3,200.00
[1]		$1,600.00
[1]		$176.00
[1]		$88.00
[1]		$108.00
[1]		$288.00
[1]		$720.00

(D)

[1] See footnote (1) on page 33-213

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(2) [1] Services New: (Cont'd) (D)

Table D

OC-48 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$3,720.00
Central Office Node	FH5XC	$2,960.00
Customer Provided Node	FJ5XC	$640.00
DS3 Ports @ OC-48	FP6BX	$120.00
Mileage (0-10 Miles)	1L5XX	None
Mileage (over 10 Miles)	1L5XX	$400.00

Table E

OC-12 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$1,700.00
Central Office Node	FH5XC	$1,402.50
Customer Provided Node	FJ5XC	$595.00
DS3 Ports @ OC-48	FP6BX	$127.50
Mileage (0-10 Miles)	1L5XX	None
Mileage (over 10 Miles)	1L5XX	$212.50

[1] See footnote (1) on page 33-213

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) Incentive Discount for WinBack Services

If the Customer elects to obtain Qualified Access Service(s) located in MSAs where the Telephone Company has been granted pricing flexibility within the Operating Territory, in place of access service(s) that is provided by a carrier other than the Telephone Company or one of its affiliates, the Customer will receive a one-time credit equal to twenty percent (20%) of the first twelve (12) months billed, recurring revenue for that new Qualified Access Service (WinBack Incentive).

This WinBack Incentive credit will be applied in addition to the Incentives described in Sections 33.29.4(B), (C) and (E).

(1) Eligibility Criteria for WinBack Incentive

(a) The Customer must present reasonable and verifiable information, which includes but is not limited to circuit detail or coordinated move orders, to demonstrate the service being converted is currently being provided by a carrier other than the Telephone Company or its affiliates; and

(b) The new Qualified Access Service(s) ordered must have a minimum term period of twelve (12) months for DS1 and DS3 orders and thirty-six (36) months for [1] services. (D)

[1] See footnote (1) on page 33-213

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) Incentive Discount for WinBack Services (Cont'd)

(2) Application of WinBack Incentive

(a) The Telephone Company will apply the credit to the Customer's bill(s) for Qualified Access Services that follows the end of the initial twelve (12) month period, thirty (30) days in arrears, as follows:

(i) When the Telephone Company and Customer have identified the start date for the term period of the WinBack Qualified Access Service in an authorization letter, the initial twelve (12) month period will be the twelve (12) month period commencing on that start date; or,

(ii) When the start date for the term period of the WinBack Qualified Access Service is established by the completion of an access service order, the initial twelve (12) month period will be the twelve (12) month period commencing on the day the access service order is completed.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(E) DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3 Qualified Access Services.

This Portability Incentive is in addition to the Incentives described in Sections 33.29.4(B),(C), and (D).

(1) Eligibility Criteria for DS3 Portability Incentive

The following criteria must be met in order to receive the Portability Incentive:

(a) Customer's DS3s must meet the Minimum Period requirements, as established under F.C.C. No. 1, Section 7.4.4 at the previous location;
(b) The term period of the new circuit must be equal to, or greater than, the remaining term of the disconnected circuit; and
(c) The disconnect service and new service must be within the Operating Territory.

(2) Semi-Annual Review of Disconnect Access Service Orders

If Customer qualified for the Portability Incentive as set forth in Section 33.29.4(A) but cumulative "disconnect" access service orders exceeded "add" access service orders during the Term Year, as measured on a semi-annual basis, the Customer will be assessed termination liability charges on the sum difference between the cumulative disconnect and add access service orders. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.5 WAMS-VIP Annual True-Up

(A) An annual true-up calculation is performed after each Term Year ("Annual True-Up") to establish whether:

(1) Customer maintained the Baseline MARC during that Term Year; and

(2) Customer met or exceeded the IDC.

For the purposes of the Annual True-Up calculations, the Customer's billed, recurring revenue for Qualified Access Services during the Term Year will constitute the Customer's "Achieved Revenue Amount."

(B) Annual True-Up Calculations

(1) Baseline MARC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the Baseline MARC.

(a) If Customer's Achieved Revenue Amount falls below the Baseline MARC, the Customer may pay the difference between the Baseline MARC and the Achieved Revenue Amount (Shortfall Payment).

(i) The Telephone Company will notify the Customer within thirty (30) days of the end of the Term Year of any Shortfall Payment.

(ii) Customer must make the Shortfall Payment within thirty (30) days after receiving notification from the Telephone Company.

(iii) The following Term Year's IDC and IDCC will be determined as set forth in Section 33.29.4(A) and (B).

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.5 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(1) Baseline MARC Annual True-Up: (Cont'd)

Example of Baseline MARC Annual True-Up:

If Customer's Achieved Revenue Amount in Term Year 5 is $27,000,000, the Baseline MARC of $27,500,000 has not been met. Customer may choose to pay the difference of $500,000 (27,500,000 - 27,000,000), in order to avoid termination liability charges.

(b) If Customer's Achieved Revenue Amount falls below the Baseline MARC for any given Term Year, and the Customer does not make the Shortfall Payment, this Contract Offer Subscription shall terminate and termination liability charges will apply, as described in Section 33.29.8(A). (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.5 WAMS-VIP Annual True-Up (Cont'd)

(B) The Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the IDC.

(a) If the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will determine the IDCC for the following Term Year and the quarterly credits, for that following Term Year, will be applied as set forth in Section 33.29.4(B)(1).

(b) If the Customer's Achieved Revenue Amount falls below the IDC, the Customer may pay the difference between the Achieved Revenue Amount and the IDC ("Make-Up Payment") to be eligible for IDCC for the following Term Year as detailed below.

(i) The Telephone Company shall notify the Customer within thirty (30) days of the end of the Term Year of any Make-Up Payment.

(ii) Customer shall pay the Make-Up Payment within thirty (30) days after receiving said notification from the Telephone Company.

(iii) The following Term Year's IDCC will be determined as set forth in Section 33.29.4(B).

(iv) If the Customer chooses not to make the Make-Up Payment, no IDCC payments will be made to the Customer for the following Term Year.

Example of IDCC Annual True-Up:

If the Achieved Revenue Amount for Term Year 3 is $33,000,000 and the IDC is $30,000,000, the Earned IDCC for Term Year 4 would be $3,000,000, unless the Customer increased the applicable IDC as provided in Section 33.29.4(A).

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Merger/Acquisitions

(A) Assignment/Successors

(1) If the Customer wishes to assign or transfer its rights and obligations under Contract Offer No. 29 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in F.C.C. No. 1 Sections 2.1.2 are fulfilled, unless the proposed assignee or transferee demonstrates a lack of credit worthiness under any of the criteria in (a), (b) or (c) below, or if the assignee or transferee or its parent, has commenced or had initiated against it a voluntary receivership or bankruptcy proceeding.

(a) Any debt of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade as defined by the Securities and Exchange Commission or;

(b) If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by a rating organization for a possible downgrade or;

(c) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g., Standard and Poor's) but does have a Dun and Bradstreet rating and the proposed assignee or transferee is rated:

(i) Fair or below in a composite credit appraisal published by Dun and Bradstreet or;

(ii) High risk in a Paydex score as published by Dun and Bradstreet.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) The terms and conditions of the Contract Offer No. 29 shall continue in full force and effect if the Customer merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity (Transfer). After a Transfer, if the other entity also purchases Qualified Access Service(s) from the Telephone Company, either directly or through any affiliates, the Customer shall not include under the Contract Offer Subscription any of the billed, recurring revenue for the Qualified Access Services of the other entity in place as of the date the Transfer is finalized (Transfer Date), except as may be provided below.

Notwithstanding the foregoing, the Customer may choose, at its discretion, one of the options set forth in subsections (i)-(iii) below (Options), within the time period that is between twelve (12) months and twenty-four (24) months after the Transfer Date.

To exercise an Option, the Customer must send written notice to the Telephone Company within the time period described above stating which Option the Customer selects. The date that the Customer sends that written notice shall be the "Option Exercise Date". None of the Options shall alter in any way the terms or conditions of any contract or tariff pursuant to which the other entity obtains Qualified Access Services from the Telephone Company, including but not limited to any terms or conditions related to termination.

Option (i): The Customer and Telephone Company shall recalculate the Baseline MARC, IDC and IDCCs (Key Numbers) for the period from the Option Exercise Date to the end of the Term Period, to allow for the combined billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under the Contract Offer Subscription, provided the following conditions are met:

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2)(Cont'd)

Option (i): (Cont'd)

(a) One hundred percent (100%) of the total combined billed, recurring revenues for Qualified Access Services of Customer and the other entity must be included in the Contract Offer Subscription;

(b) The Baseline MARC will be adjusted according to the following formula:

The Baseline MARC will be equal to one hundred percent (100%) of the other entity's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus 27,500,000. This shall be the "Combined Baseline MARC";

(c) The IDC for the remainder of the then-current Term Year will be adjusted according to the following formula:

The IDC will be equal to one hundred percent (100%) of the other entity's actual billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus the Customer's current IDC. This shall be the "Combined IDC"; (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(d) The IDC will be adjusted according to the following formula:

The Option 1 multiplier ("Option 1 Multiplier"), which equals the ratio of the Combined IDC to the Customer's current IDC, will be applied to the IDCCs associated with the IDC Levels that are available to the Customer, as defined in Section 33.29.4.

Example:
IDC = $32,500,000
Current IDCC Level = 3

New Entity Revenue = $25,000,000

Combined IDC = $57,500,000
($32,500,000 plus $25,000,000)

Option 1 Multiplier = 1.8
($57,500,000/$32,500,000)

(e) The IDCCs amounts will be adjusted according to the following formula:

The Option 1 Multiplier will be applied to the IDCC associated with the IDCC Levels which remain available to the Customer in order to determine the Combined IDCC.

Example:
IDC = $32,500,000
Current IDC-Level = 3
IDCC = $3,900,000

New Entity Revenue = $25,000,000
Combined IDC = $57,500,000
($32,500,000 plus $25,000,000)

Option 1 Multiplier = 1.8
($57,500,000/$32,500,000)

Combined IDCC = $7,020,000
($3,900,000 multiplied by 1.8)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(f) The Customer must have at least forty-eight (48) months remaining in the Term Period under the Contract Offer Subscription or, if less than forty-eight (48) months are remaining in the Term Period under the Contract Offer Subscription, the Term Period shall be automatically extended so that the terms and conditions of Contract Offer No. 29 remain in effect for forty-eight (48) months after the Option Exercise Date; and

(g) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Option Exercise Date with no credits being applied to the Customer's bill(s) during this sixty (60) day period. Starting with the remaining quarters, the combined Key Numbers will be used to determine applicable IDCC amounts.

(1) If the Option Exercise Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or thirty (30) days in arrears of the end of the quarter, whichever is later; or

(2) If the Option Exercise Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

Option (ii): The Customer and Telephone Company shall endeavor to negotiate new Key Numbers for the period from the Option Exercise Date to the end of the Term Period, to allow for the combination of the billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under this Contract Offer Subscription provided the following conditions are met: (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd) (N)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(a) The Customer and Telephone Company shall each identify a team (composed of business and network subject matter experts) which shall negotiate new Key Numbers in good faith;

(b) If these discussions do not result in mutual agreement on new Key Numbers within sixty (60) days of the date of the Option Exercise Date, either Customer or Telephone Company may provide written notice to the other requesting that each party appoint a knowledgeable, responsible representative(s) to meet and negotiate in good faith to agree upon new Key Numbers. The Customer and Telephone Company intend that these negotiations be conducted by non-lawyer, business representatives. The location, form, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives;

(c) The Customer and Telephone Company shall endeavor to reach agreement upon the new Key Numbers within one hundred twenty (120) days of the Option Exercise Date; and

(d) If the Customer and Telephone Company cannot mutually agree upon new Key Numbers within timelines outlined above, and the Customer does not wish to continue according to the rates terms and conditions of this Contract Offer Subscription, the Customer may terminate the Contract Offer Subscription by giving thirty (30) days written notice to the Telephone Company. Upon such termination, the Telephone Company shall bill the Customer, and the Customer shall pay to the Telephone Company, termination liability charges as described below: (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(d) (Cont'd)

(1) For termination that occurs between twelve (12) and twenty-four (24) months after the EffectiveDate, eighty percent (80%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 29; or

(2) For termination that occurs after the first twenty-four (24) months after the Effective Date, fifty percent (50%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 29.

Option (iii): The Contract Offer Subscription shall be terminated as set forth in Section 33.29.8(A). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets

If Customer is required by a regulatory agency to divest any markets, market spectrum or customers ("Divested Market") in connection with a Transfer, the Customer can request that Key Numbers be recalculated by the Telephone Company. The Customer must send written notice to the Telephone Company within sixty (60) days of completing a market divestiture. The date the Customer sends that written notice shall be the "Divestiture Notice Date". The Telephone Company will recalculate the Key Numbers as described below:

(1) The Baseline MARC, IDC and IDCC amounts will be reduced by either of the following methods, at the Customer's discretion ("Divested Revenue"):

(a) One hundred percent (100%) of the Divested Market's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the notification multiplied by four (4); or

(b) A revenue amount that is less than the amount determined under subparagraph (a) above.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(2) The IDCCs will be reduced according to the following steps:

Step 1.

Determine the impact on total revenue by calculating the "Divestiture Percentage". The Divestiture Percentage is the percent change between the Pre-Divest and Post-Divest revenues. The "Pre-Divest Revenue" equals 100% of the Customer's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Divestiture Notice Date multiplied by four (4) or the Baseline MARC, whichever is greater. The "Post-Divest Revenue" equals Pre-Divest Revenue minus the Divested Revenue from (B)(1).

Example:
Pre-Divest Revenue = $37,900,000
Divested Revenue = $2,900,000
Post-Divest Revenue = $35,000,000
($37,900,000 - $2,900,000)

Divestiture Percentage = 8%
(1-($35,000,000/$37,900,000))

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(2) (Cont'd)

Step 2.

The Divestiture Percentage will equal the percent reduction in the IDCs and IDCCs which remain available to the Customer.

Example:
IDCC-Level equals 5
Divestiture % = 8%

Reduced IDC = $34,500,000
($37,500,000 – ($37,500,000 X .08))

Reduced IDCC = $5,175,000
(5,625,000 – (5,625,000 X .08))

(3) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Divestiture Notice Date. The recalculated Key Numbers will become effective once the Divested Market's billed, recurring revenues for Qualified Access Service are no longer being billed to the Customer ("Divestiture Effective Date"). Starting with the remaining quarters of the Term Year as of the Divestiture Effective Date, the recalculated Key Numbers will be used to determine the applicable IDCC.

(a) If the Divestiture Effective Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Reduced IDCC will occur thirty (30) days after the Key Numbers are effective or thirty (30) days in arrears of the end of the quarter, whichever is later; or, (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(3) (Cont'd)

(b) If the Divestiture Effective Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible reduced IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

33.29.7. WAMS-VIP Cell-Site Performance – Credits

(A) Description

Cell-Site Performance Improvement Credits are available to the Customer based upon the quality of service delivered during the Term Period, as set forth in subparagraph (2) below. The credits will be granted in the event that the Telephone Company's Contract Offer No. 29 service performance level objectives for cell-site DS1 Qualified Access Services are not met.

(1) The DS1 Qualified Access Services cell-site performance level parameters will be based on DS1 Percentage of Network Availability. The DS1 Percent of Network Availability will be calculated by determining the actual hours that the cell-site DS1 circuits are in service during a given month compared to the total expected availability, and then aggregating those total hours over the course of a Term Year.

Example:

If a Customer had 100 circuits in service at the end of January and 110 at the end of February, their total hours of expected availability would be (31 days times 100 circuits, times 24 hours) plus (28 days, times 110 circuits, times 24 hours) or 148,320. This would be the denominator of the network availability equation.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(A) Description (Cont'd)

(1) Example: (Cont'd)

The numerator would be the total hours of outage based upon measured tickets reported to the Telephone Company subtracted from the 148,320. If there were eight (8) reported failures averaging 3.5 hours per outage, the total hours of outage would be equal to twenty-eight (28). The resulting availability equation for those two (2) months will be ((148,320-28)/148,320) or 99.981%. A twelve (12) month aggregation using the same process as noted for two (2) months will be used to determine annual percent availability for a Customer.

(2) Table F below provides cell-site service performance targets, based on DS-1 Percentage of Network Availability, for each Term Year.

Table F

Term Year	% Network Availability
1	99.9800%
2	99.9840%
3	99.9877%
4	99.9900%
5	99.9900%
6	99.9900%
7	99.9900%

(B) At the Annual True-Up, if the Telephone Company annual results fail to meet the performance target, as specified in Table D above, and the Customer has met the Baseline MARC, the Telephone Company will provide credits and services as follows: (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(B)(Cont'd)

(1) The Telephone Company will apply one hundred dollars ($100) in special construction credits for each measured trouble ticket reported to the Telephone Company during the Term Year for cell-site improvements. The special construction credits will be used to improve performance at mutually agreed upon Customer's cell sites that are performing below the DS-1 Percentage of Network Availability as specified in Table D above.

For example: special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell-sites; and,

(2) The Telephone Company will provide Customer the ability to purchase Automatic Loop Transfer service at twenty-five percent (25%) discount off the monthly recurring rates described in F.C.C. No. 1, Section 31.5.2 for those cell sites that fail to meet the performance target, as specified in Table D above.

33.29.8 Termination

The Customer's subscription to this Contract Offer No. 29 shall terminate if Customer gives notice to Telephone Company, as set forth in the following paragraph, and as set forth in other sections of this Contract Offer No. 29.

The termination liability charges described below shall apply if termination occurs because the Customer does not make a Shortfall Payment as described in Section 33.29.5(B)(1) and/or the Customer elects to terminate its subscription to Contract Offer No. 29 for reasons other than described in Section 33.29.6 (2)(A)option(ii)(4) and/or 33.29.8(B).

If the Customer elects to terminate its Contract Offer Subscription during the Term Period, written notification must be provided to the Telephone Company indicating the Customer's intention to terminate its Contract Offer Subscription. This notification must include the date upon which the Customer wishes to terminate its Contract Offer Subscription.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.8 Termination (Cont'd)

(A) Termination Liability

Termination liability charges will consist of the sum of the following:

(1) Ten percent (10%) of the Baseline MARC divided by twelve (12)) then multiplied by the number of months remaining in the Term Period; plus
(2) Repayment of the IDCC, given under Contract Offer No. 29 during the three (3) quarters preceding the termination date.

Example:

Customer with a Baseline MARC of $27,500,000 and an IDC of $32,500,000 terminates its Contract Offer Subscription after forty-eight (48) months and with thirty-six (36) months remaining in the eighty-four (84) month Term Period, and the Customer received IDCC $2,925,000 for the previous three quarters before termination. The termination liability charges would be:

(($27,500,000/12) X 10% X 36) + ($2,925,000) = $11,174,999 termination liability charge.

(B) Rate Reductions

If the tariffed rates for the Qualified Access Services are reduced by a cumulative total of twenty percent (20%) from the tariffed rates in effect as of the Effective Date (Initial Tariff Rates), either party may terminate the Contract Offer Subscription by providing a sixty (60) day written notice to the other party. Termination liability charges will not apply.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

To determine whether the 20% rate reduction has been met or exceeded, the Telephone Company shall perform an analysis within sixty (60) days following the Effective Date that details the Customer's inventory of Qualified Access Services and the Initial Tariff Rates (Initial Rate Analysis.)

Example: DS1-Initial Rate Analysis

Product Category/ Description	State	Zone	Term	Rate	Units	Total
DS1 - Channel Termination (CT)	CA	2	36	$25.00	4,000	$100,000
DS1 - Channel Mileage (CM-Fixed)				$21.00	1,600	$33,600
DS1 - Channel Mileage (CM-Per Mile)				$16.40	1,000	$16,400
DS1 Total					6,600	$150,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

32.29.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

Telephone Company shall also perform a similar exercise within sixty (60) days following each Term Year detailing the Customer's inventory from the Initial Rate Analysis and the end-of-year tariff rates (EOY Rate Analysis). The Customer and Telephone Company will then compare the Initial Rate Analysis to the EOY Rate Analysis to identify the percent change in the total, cumulative rates, if any.

Example: Initial Rate Analysis and EOY Rate Analysis Comparison

Product Category	Units	Initial Tariff Rates	EOY Tariff Rates	% Rate Change
DS1	6600	$150,000	$122,000	
DS3	2000	$ 90,000	$ 70,000	
[1]	N/A	N/A	N/A	
Total	8600	$240,000	$192,000	20%

20% = (1-($192,000/$240,000)) (D)

The quantity of units for each product category used in the Initial Rate Analysis and the EOY Rate Analysis will be calculated from the Qualified Access Service rate elements listed below:

(1) DS1 – Channel Terminations (CT), Channel Mileage (CM) fixed and Channel Mileage (CM) per mile;

(2) DS3 – CT, CM fixed, CM per mile and Multiplexing (MUX); and

(3) [1] – Not applicable. Existing rings are covered under flat-rate pricing, per Section 33.29.4.(C). (D)

[1] See footnote (1) on page 33-213

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term

33.30.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.30.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, (N)
Santa Rosa, Stockton, CA.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.30.2 Contract Terms

(A) Contract Offering No. 30 is available during the purchase period which begins October 29, 2004 and ends April 29, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 30.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 30 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.30.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 30 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 30 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 30 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 30 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 30.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 30 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.30.2(L). The termination charge for Contract Offering No. 30 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 30 terminated and the termination charges described in 33.30.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.30.3(B). (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.30.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 30 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.30.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 30 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 30, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 30.

(M) Contract Offering No. 30 is not available as a Fiber Advantage DS1 service.

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 30 terminated. If Contract Offering No. 30 is terminated during the initial contract term, the termination charges described in 33.30.2(J) apply. (N)

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.30.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.30.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.15(B) and the Service Rearrangement Charge reflected in 33.30.3(B) applies.

33.30.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.30 Contract Offering No. 30 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.30.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term

33.31.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.31.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.31.2 Contract Terms

(A) Contract Offering No. 31 is available during the purchase period which begins October 29, 2004 and ends April 29, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 31.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 31 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.31.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 31 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 31 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 31 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 31 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 31.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 31 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.31.2(L). The termination charge for Contract Offering No. 31 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 31 terminated and the termination charges described in 33.31.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.31.2(B). (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.31.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 31 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.31.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 31 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 31, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 31.

(M) Contract Offering No. 31 is not available as a Fiber Advantage DS1 service.

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 31 terminated. If Contract Offering No. 31 is terminated during the initial contract term, the termination charges described in 33.31.2(J) apply. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.31.2 Contract Terms (Cont'd)

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.31.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.31.3(B) applies.

33.31.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.31 Contract Offering No. 31 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.31.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service – Three Year Term

33.32.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

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33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.32.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.32.2 Contract Terms

(A) Contract Offering No. 32 is available during the purchase period which begins October 29, 2004 and ends April 29, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 32.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 32 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service are negotiated intervals.

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.32.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 32 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 32 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 32 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 32 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 32.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 32 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.32.2(L). The termination charge for Contract Offering No. 32 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.32.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 32 terminated and the termination charges described in 33.32.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 32 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.32.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity, and,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 32 was provided, and,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 32, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 32.

(M) Contract Offering No. 32 is not available as a Fiber Advantage DS1 service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.32.2 Contract Terms (Cont'd)

(N) A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 32 terminated. If Contract Offering No. 32 is terminated during the initial contract term, the termination charges described in 33.32.2(J) apply.

(O) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(P) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.32.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.32.3(B) applies. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.32 Contract Offering No. 32 – Access Advantage Plus Transport Service-Three Year Term (Cont'd)

33.32.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. Pricing Flexibility Contract Offerings

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

33.33.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 33) is an access discount plan that provides Customers with Incentive Discounts and Portability Incentives (as defined in Section 33.33.4) in accordance with the terms and conditions as set forth in this Section 33.33.

33.33.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 33 applies to qualified access services contained in Pacific Bell Telephone Company Tariff F.C.C. No. 1 (Qualified Access Services), listed in Table A below:

Table A

Service	General Basic Description	Rates and Charges		
High Capacity Service	7.2.9	7.5.9	31.5.2.7	
(1)				(D)
Broadband Circuit Service (BCS)	20.1	20.3	31.5.2.11	
Fiber Advantage Service	7.2.9	7.5.9	31.5.2.7	
(1)				(D)
SONET Ring And Access Service (SRAS)	7.2.11	7.5.13	31.5.2.7	
(1)				(D)
(1)				(D)

(B) When additional Qualified Access Services are added to the services available under F.C.C. No. 1, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 33 for the purposes of calculating the Incentive Discounts and Portability Incentives included in this Contract Offer No. 33.

(1) Material previously contained in this section has been deleted. DSRS GigaMAN, MON, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 33 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.2 Services Available Under WAMS-VIP Offer (Cont'd)

(C) All terms and conditions for the Qualified Access Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 33.

33.33.3 WAMS-VIP Offer Terms and Conditions

The following terms and conditions apply to Contract Offer No. 33:

(A) Eligibility Criteria

(1) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in F.C.C. No. 1, Section 14 (Operating Territory);

(2) Incentive Discounts earned by the Customer under Contract Offer No. 33 shall be applied in the form of a credit to the Customer's bill(s) for Qualified Access Services, located in the following MSAs where Telephone Company has been granted pricing flexibility:

(3) Bakersfield, Fresno, Los Angels/Long Beach, Modesto, Oxnard-Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton California;

(4) Customer must renew thirteen (13) existing OC-48 SONET Ring and Access Service (SRAS), as described in Section 33.33.4(C); and

(5) All traffic on the Qualified Access Service(s) must originate or terminate on a wireless carrier's network. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Revenue commitments are based on billed, recurring charges for the Qualified Access Services and specifically exclude any non-recurring charges and Incentive Discounts earned under this Contract Offer No. 33;

(2) Customer must maintain a Baseline Minimum Annual Revenue Commitment of $27,500,000 (Baseline MARC) for Qualified Access Services;

(3) Contract Offer No. 33 Incentive Discounts and Portability Incentives are in addition to, and do not alter, any of the existing service discount/term plans available in the Telephone Company's respective tariffs; except that billed, recurring revenues that are discounted under Contract Offer No. 33 are not eligible under the Managed Value Plan (MVP) offered in F.C.C. No. 1, Section 22, nor are billed, recurring revenues under MVP eligible for discounts under this Contract Offer No. 33;

(4) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 33. In the event such rate modifications are made no change will be made to the Baseline MARC;

(5) Qualified Access Services are subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services) and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No. 33;

(6) This Contract Offer No. 33 is available November 11, 2004 through December 11, 2004;

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) The Customer must meet the criteria described for Incentive Discounts and Portability Incentives, as provided in Section 33.33.4; and

(8) To subscribe to Contract Offer No. 33, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS shall contain the effective date ("Effective Date") and the Access Customer's Name Abbreviation(s) (ACNA) and must be signed by the Customer and the Telephone Company's representative.

(C) Term Period

The contract term (Term Period) is eighty-four (84) months commencing on the Effective Date. Each twelve (12) month period beginning with the Effective Date shall be a Term Year. At the end of the Term Period, the Incentive Discounts and Portability Incentives provided in this Contract Offer No. 33 shall be discontinued. This offer is not renewable.

(N)

ACCESS SERVICE

3. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts

Customer will be eligible for the following Incentive Discounts and/or Portability Incentives (collectively "Incentives") under Contract Offer No. 33 during each of the Term Years:

Incentive Discount Commitment Credit (IDCC),
Incentive Discount for [1] Services – ([1]), (D)
Incentive Discount for WinBack Services (WinBack Incentive), and
Portability Incentive for DS3s (Portability Incentive).

(A) Incentive Discount Commitment
In order to qualify for the IDCC and Portability Incentives, Customer must maintain the "Incentive Discount Commitment" (IDC):

(1) Establishment of the IDC

(a) For Term Year one (1) the Customer's IDC will equal the Baseline MARC.

(b) Unless and until Customer elects to increase the IDC, as provided in Section 33.33.4(A)(1)(c), the IDC during Term Years two (2) through seven (7) shall remain the Baseline MARC.

(c) Customer may elect, by providing written notice to Telephone Company, to increase the IDC. Customer shall notify the Telephone Company of the new IDC Level, as provided in Table B in Section 33.33.4(B). The Customer may increase the IDC Level only; the IDC Level may not be decreased. An IDC Level may be increased after the first Term Year and/or after the first six (6) months of each Term Year (New IDC Date). Each time Customer chooses a new IDC Level, the corresponding IDC and IDCC shall apply as of the New IDC Date and for the remainder of the Term Period, unless Customer further increases the IDC as provided in this section.

(2) Application of Incentive Discount Commitment
If during the Annual True-Up, as defined in Section 33.33.5, the Customer's Achieved Revenue Amount (to include any Shortfall and/or Make-up Payments) meets or exceeds the IDC, the Telephone Company will apply the IDCC and Portability Incentives for the following Term Year, provided the criteria in Section 33.33.4(B) and (E)respectively, are met.

[1] See footnote (1) on page 33-268

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(A) Incentive Discount Commitment (Cont'd)

(2) Application of Incentive Discount Commitment (Cont'd)

Example: After Term Year one (1), the Customer's Achieved Revenue Amount, determined by the Annual True-Up, equals $31,000,000 and the IDC is $27,500,000. Since the Achieved Revenue Amount exceeds the IDC and the Customer has not provided notice to increase the IDC to a new IDC Level, the Telephone Company would apply the IDCC, and Portability Incentives in Term Year two (2), based on the Customer's IDC for Term Year one (1)of $27,500,000.

(3) Notwithstanding the above, Incentives shall not be applied unless and until the Customer is current in paying (or properly disputing) all invoices submitted for payment by the Telephone Company for billed, recurring revenue for Qualified Access Services in accordance with F.C.C. No. 1, Section 2.

(B) Incentive Discount Commitment Credit for Qualified Access Services

For each Term Year, the Customer will be eligible for an "Incentive Discount Commitment Credit" (IDCC) according to Table B, per sub-section (1) below.

Table B

IDC Level	IDC	IDCC
1	$ 27,500,000	$ 2,475,000
2	$ 30,000,000	$ 3,000,000
3	$ 32,500,000	$ 3,900,000
4	$ 35,000,000	$ 4,900,000
5	$ 37,500,000	$ 5,625,000
6	$ 40,000,000	$ 6,800,000
7	$ 42,500,000	$ 8,500,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(B) Incentive Discount Commitment Credit for Qualified Access Services (Cont'd)

(1) Application of Incentive Discount Commitment Credit

(a) The Telephone Company will apply the IDCC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDCC per Section 33.33.4(A),as follows: One-quarter of the IDCC will be applied thirty (30) days in arrears from the end of the first, second, third and fourth quarters of the Term Year, based on the IDCC determined under Section 33.33.4(B)(1)(b)and 33.33.4(B)(1)(c) below.

(b) The IDCC applied during the four (4)quarters of Term Year one (1) shall be based upon IDC-Level 1.

(c) The IDCC applied during the four (4) quarters for Term Years two (2) through seven (7) will be based upon the IDC-Level determined using the IDC established in Section 33.33.4(A). (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (D)

(1) [1] Services Renewals: (D)

Upon submission of the LOS, thirteen (13) of Customer's existing OC-48 SRAS are renewed for eighty-four (84) months concurrent with the Term Period.

(a) The pricing for the thirteen (13) OC-48 SRAS shall be a flat monthly recurring rate of $372,758 during the Term Period. The monthly recurring rate for each individual OC-48 SRAS is $28,670.

(b) If the Customer requests additional ports, nodes, miles or other OC-48 SRAS services not in service at the time the Customer subscribes to this Contract Offer No. 33, the Customer will pay the tariff rates for those additions as contained in F.C.C. No. 1, Section 33.33.4 (C)(2) Table D.

(c) If a node is added to the OC-48 SRAS, the term for the newly added node will be co-terminus with the initial Term Period. However, if a node is added during the last twelve (12) months or less of the Term Period, the Customer will be billed the node MRC for a minimum period of twelve (12) months.

(d) If the Customer requests modifications to the OC-48 SRAS covered under this Contract Offer No. 33, the Customer will pay the Telephone Company time and material charges for each Customer request, as described in F.C.C. No. 1, Section 13. Modification of the existing OC-48 SRAS network design is limited to: rearrangement of existing ports, shelf arrangements, node moves, ring design provisioning changes and customer premise rearrangements.

[1] See footnote (1) on page 33-268

33. Pricing Flexibility Contract Offerings (Cont'd)

33.29 Contract Offer No. 29 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.29.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(1) [1] Services Renewals: (Cont'd) (D)

(e) Customer may at any time upgrade any one of the renewed OC-48 SRAS(s) to a higher speed service, without incurring termination liability charges, providing the following criteria are met:

(i) The aggregate of the monthly payments of the upgraded service over the term of such service ("Upgrade Service Revenue Value") must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period ("Existing Service Revenue Value"). The Existing Service Revenue Value MRC must be equal to $28,670 per OC-48 SRAS;

(ii) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade; or

(iii) The Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate the requested OC-48 and termination liability charges as determined in accordance with Section 33.29.4(C)(1)(f)and(g)below will apply.

[1] See footnote (1) on page 33-268

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(1) [1] Services Renewals: (Cont'd) (D)

(f) If the Customer terminates any of the thirteen (13) OC-48 SRAS renewal services before completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges equal to $14,335 for the balance of the Customer's eighty-four (84) month Term Period for each terminated OC-48 SRAS.

(g) Termination charges shall become due as of the date of termination and are payable as described in F.C.C. No 1, Section 7.4.16.

Example: Customer terminates two (2) OC-48 SRAS after sixty (60) months and has twenty-four (24) months remaining in a eighty-four (84) month term plan. The termination liability would be calculated as:

$14,335 X 2 X 24 = $688,080 termination liability charge

[1] See footnote (1) on page 33-268

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(2) [1] Services New: (D)

The Customer is eligible for "Incentive Discount Pricing", as set forth in Table C, D and E below, under this Contract Offer No. 33 towards the purchase of new [1] Services with a seven (7) year (D) term ([1]-Incentive Discounts). All terms and (D) conditions for the new [1] Services are governed by their respective tariff sections:

Table C

[1]	USOC	MRC
[1]		$14,120.00
		$12,560.00
[1]		$3,200.00
[1]		$1,600.00
Mileage, Per Mile [1]	1L5XX	$176.00
[1]		$88.00
[1]		$108.00
[1]		$288.00
[1]		$720.00

(D) (D)

[1] See footnote (1) on page 33-268

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for [1] Services (Cont'd) (D)

(2) [1] Services New: (Cont'd) (D)

Table D

OC-48 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$3,720.00
Central Office Node	FH5XC	$2,960.00
Customer Provided Node	FJ5XC	$640.00
DS3 Ports @ OC-48	FP6BX	$120.00
Mileage (0-10 Miles)	1L5XX	None
Mileage (over 10 Miles)	1L5XX	$400.00

Table E

OC-12 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$1,700.00
Central Office Node	FH5XC	$1,402.50
Customer Provided Node	FJ5XC	$595.00
DS3 Ports @ OC-48	FP6BX	$127.50
Mileage (0-10 Miles)	1L5XX	None
Mileage (over 10 Miles)	1L5XX	$212.50

[1] See footnote (1) on page 33-268

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) Incentive Discount for WinBack Services

If the Customer elects to obtain Qualified Access Service(s) located in MSAs where the Telephone Company has been granted pricing flexibility within the Operating Territory, in place of access service(s) that is provided by a carrier other than the Telephone Company or one of its affiliates, the Customer will receive a one-time credit equal to twenty percent (20%) of the first twelve (12) months billed, recurring revenue for that new Qualified Access Service (WinBack Incentive).

This WinBack Incentive credit will be applied in addition to the Incentives described in Sections 33.33.4(B), (C) and (E).

(1) Eligibility Criteria for WinBack Incentive

(a) The Customer must present reasonable and verifiable information, which includes but is not limited to circuit detail or coordinated move orders, to demonstrate the service being converted is currently being provided by a carrier other than the Telephone Company or its affiliates; and

(b) The new Qualified Access Service(s) ordered must have a minimum term period of twelve (12) months for DS1 and DS3 orders and thirty-six (36) months for [1] services. (D)

[1] See footnote (1) on page 33-268

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) Incentive Discount for WinBack Services (Cont'd)

(2) Application of WinBack Incentive

(a) The Telephone Company will apply the credit to the Customer's bill(s) for Qualified Access Services that follows the end of the initial twelve (12) month period, thirty (30) days in arrears, as follows:

(i) When the Telephone Company and Customer have identified the start date for the term period of the WinBack Qualified Access Service in an authorization letter, the initial twelve (12) month period will be the twelve (12) month period commencing on that start date; or,

(ii) When the start date for the term period of the WinBack Qualified Access Service is established by the completion of an access service order, the initial twelve (12) month period will be the twelve (12) month period commencing on the day the access service order is completed.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(E) DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3 Qualified Access Services.

This Portability Incentive is in addition to the Incentives described in Sections 33.33.4(B),(C), and (D).

(1) Eligibility Criteria for DS3 Portability Incentive

The following criteria must be met in order to receive the Portability Incentive:

(a) Customer's DS3s must meet the Minimum Period requirements, as established under F.C.C. No. 1, Section 7.4.4 at the previous location;
(b) The term period of the new circuit must be equal to, or greater than, the remaining term of the disconnected circuit; and
(c) The disconnect service and new service must be within the Operating Territory.

(2) Semi-Annual Review of Disconnect Access Service Orders

If Customer qualified for the Portability Incentive as set forth in Section 33.33.4(A) but cumulative "disconnect" access service orders exceeded "add" access service orders during the Term Year, as measured on a semi-annual basis, the Customer will be assessed termination liability charges on the sum difference between the cumulative disconnect and add access service orders.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.5 WAMS-VIP Annual True-Up

(A) An annual true-up calculation is performed after each Term Year ("Annual True-Up") to establish whether:

(1) Customer maintained the Baseline MARC during that Term Year; and

(2) Customer met or exceeded the IDC.

For the purposes of the Annual True-Up calculations, the Customer's billed, recurring revenue for Qualified Access Services during the Term Year will constitute the Customer's "Achieved Revenue Amount."

(B) Annual True-Up Calculations

(1) Baseline MARC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the Baseline MARC.

(a) If Customer's Achieved Revenue Amount falls below the Baseline MARC, the Customer must pay the difference between the Baseline MARC and the Achieved Revenue Amount (Shortfall Payment).

(i) The Telephone Company will notify the Customer within thirty (30) days of the end of the Term Year of any Shortfall Payment.

(ii) Customer must make the Shortfall Payment within thirty (30) days after receiving notification from the Telephone Company.

(iii) The following Term Year's IDC and IDCC will be determined as set forth in Section 33.33.4(A)and(B).

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.5 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(1) Baseline MARC Annual True-Up: (Cont'd)

Example of Baseline MARC Annual True-Up:

If Customer's Achieved Revenue Amount in Term Year 5 is $27,000,000, the Baseline MARC of $27,500,000 has not been met. Customer may choose to pay the difference of $500,000 (27,500,000 - 27,000,000), in order to avoid termination liability charges.

(b) If Customer's Achieved Revenue Amount falls below the Baseline MARC for any given Term Year, and the Customer does not make the Shortfall Payment, this Contract Offer Subscription shall terminate and termination liability charges will apply, as described in Section 33.33.8(A).

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.5 WAMS-VIP Annual True-Up (Cont'd)

(B) The Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the IDC.

(a) If the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will determine the IDCC for the following Term Year and the quarterly credits, for that following Term Year, will be applied as set forth in Section 33.33.4(B)(1).

(b) If the Customer's Achieved Revenue Amount falls below the IDC, the Customer must pay the difference between the Achieved Revenue Amount and the IDC ("Make-Up Payment") to be eligible for IDCC for the following Term Year as detailed below.

(i) The Telephone Company shall notify the Customer within thirty (30) days of the end of the Term Year of any Make-Up Payment.

(ii) Customer shall pay the Make-Up Payment within thirty (30) days after receiving said notification from the Telephone Company.

(iii) The following Term Year's IDCC will be determined as set forth in Section 33.33.4(B).

(iv) If the Customer chooses not to make the Make-Up Payment, no IDCC payments will be made to the Customer for the following Term Year.

Example of IDCC Annual True-Up:

If the Achieved Revenue Amount for Term Year 3 is $33,000,000 and the IDC is $30,000,000, the earned IDCC for Term Year 4 would be $3,000,000, unless the Customer increased the applicable IDC as provided in Section 33.33.4(A). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Merger/Acquisitions

(A) Assignment/Successors

(1) If the Customer wishes to assign or transfer its rights and obligations under Contract Offer No. 33 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in F.C.C. No. 1 Sections 2.1.2 are fulfilled, unless the proposed assignee or transferee demonstrates a lack of credit worthiness under any of the criteria in (a), (b) or (c) below, or if the assignee or transferee or its parent, has commenced or had initiated against it a voluntary receivership or bankruptcy proceeding.

(a) Any debt of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade as defined by the Securities and Exchange Commission or;

(b) If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by a rating organization for a possible downgrade or;

(c) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g., Standard and Poor's) but does have a Dun and Bradstreet rating and the proposed assignee or transferee is rated:

(i) Fair or below in a composite credit appraisal published by Dun and Bradstreet or;

(ii) High risk in a Paydex score as published by Dun and Bradstreet. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) The terms and conditions of the Contract Offer No. 33 shall continue in full force and effect if the Customer merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity (Transfer). After a Transfer, if the other entity also purchases Qualified Access Service(s) from the Telephone Company, either directly or through any affiliates, the Customer shall not include under the Contract Offer Subscription any of the billed, recurring revenue for the Qualified Access Services of the other entity in place as of the date the Transfer is finalized (Transfer Date), except as may be provided below.

Notwithstanding the foregoing, the Customer may choose, at its discretion, one of the options set forth in subsections (i)-(iii) below (Options), within the time period that is between twelve (12) months and twenty-four (24) months after the Transfer Date.

To exercise an Option, the Customer must send written notice to the Telephone Company within the time period described above stating which Option the Customer selects. The date that the Customer sends that written notice shall be the "Option Exercise Date". None of the Options shall alter in any way the terms or conditions of any contract or tariff pursuant to which the other entity obtains Qualified Access Services from the Telephone Company, including but not limited to any terms or conditions related to termination.

Option (i): The Customer and Telephone Company shall recalculate the Baseline MARC, IDC and IDCCs (Key Numbers) for the period from the Option Exercise Date to the end of the Term Period, to allow for the combined billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under the Contract Offer Subscription, provided the following conditions are met:

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(a) One hundred percent (100%) of the total combined billed, recurring revenues for Qualified Access Services of Customer and the other entity must be included in the Contract Offer Subscription;

(b) The Baseline MARC will be adjusted according to the following formula:

The Baseline MARC will be equal to one hundred percent (100%) of the other entity's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus 27,500,000. This shall be the "Combined Baseline MARC";

(c) The IDC for the remainder of the then-current Term Year will be adjusted according to the following formula:

The IDC will be equal to one hundred percent (100%) of the other entity's actual billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus the Customer's current IDC. This shall be the "Combined IDC"; (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(d) The IDC will be adjusted according to the following formula:

The Option 1 multiplier ("Option 1 Multiplier"), which equals the ratio of the Combined IDC to the Customer's current IDC, will be applied to the IDCCs associated with the IDC Levels that are available to the Customer, as defined in Section 33.33.4.

Example:
IDC = $32,500,000
Current IDCC Level = 3

New Entity Revenue = $25,000,000

Combined IDC = $57,500,000
($32,500,000 plus $25,000,000)

Option 1 Multiplier = 1.8
($57,500,000/$32,500,000)

(e) The IDCCs amounts will be adjusted according to the following formula:

The Option 1 Multiplier will be applied to the IDCC associated with the IDCC Levels which remain available to the Customer in order to determine the Combined IDCC.

Example:
IDC = $32,500,000
Current IDC-Level = 3
IDCC = $3,900,000

New Entity Revenue = $25,000,000
Combined IDC = $57,500,000
($32,500,000 plus $25,000,000)

Option 1 Multiplier = 1.8
($57,500,000/$32,500,000)

Combined IDCC = $7,020,000
($3,900,000 multiplied by 1.8)

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(f) The Customer must have at least forty-eight (48) months remaining in the Term Period under the Contract Offer Subscription or, if less than forty-eight (48) months are remaining in the Term Period under the Contract Offer Subscription, the Term Period shall be automatically extended so that the terms and conditions of Contract Offer No. 33 remain in effect for forty-eight (48) months after the Option Exercise Date; and

(g) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Option Exercise Date with no credits being applied to the Customer's bill(s) during this sixty (60) day period. Starting with the remaining quarters, the combined Key Numbers will be used to determine applicable IDCC amounts.

(1) If the Option Exercise Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or thirty (30) days in arrears of the end of the quarter, whichever is later; or

(2) If the Option Exercise Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

Option (ii): The Customer and Telephone Company shall endeavor to negotiate new Key Numbers for the period from the Option Exercise Date to the end of the Term Period, to allow for the combination of the billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under this Contract Offer Subscription provided the following conditions are met:

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd) (N)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(a) The Customer and Telephone Company shall each identify a team (composed of business and network subject matter experts) which shall negotiate new Key Numbers in good faith;

(b) If these discussions do not result in mutual agreement on new Key Numbers within sixty (60) days of the date of the Option Exercise Date, either Customer or Telephone Company may provide written notice to the other requesting that each party appoint a knowledgeable, responsible representative(s) to meet and negotiate in good faith to agree upon new Key Numbers. The Customer and Telephone Company intend that these negotiations be conducted by non-lawyer, business representatives. The location, form, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives;

(c) The Customer and Telephone Company shall endeavor to reach agreement upon the new Key Numbers within one hundred twenty (120) days of the Option Exercise Date; and

(d) If the Customer and Telephone Company cannot mutually agree upon new Key Numbers within timelines outlined above, and the Customer does not wish to continue according to the rates terms and conditions of this Contract Offer Subscription, the Customer may terminate the Contract Offer Subscription by giving thirty (30) days written notice to the Telephone Company. Upon such termination, the Telephone Company shall bill the Customer, and the Customer shall pay to the Telephone Company, termination liability charges as described below: (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(d) (Cont'd)

(1) For termination that occurs between twelve (12) and twenty-four (24) months after the EffectiveDate, eighty percent (80%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 33; or

(2) For termination that occurs after the first twenty-four (24) months after the Effective Date, fifty percent (50%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 33.

Option (iii): The Contract Offer Subscription shall be terminated as set forth in Section 33.33.8(A).

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets

If Customer is required by a regulatory agency to divest any markets, market spectrum or customers ("Divested Market") in connection with a Transfer, the Customer can request that Key Numbers be recalculated by the Telephone Company. The Customer must send written notice to the Telephone Company within sixty (60) days of completing a market divestiture. The date the Customer sends that written notice shall be the "Divestiture Notice Date". The Telephone Company will recalculate the Key Numbers as described below:

(1) The Baseline MARC, IDC and IDCC amounts will be reduced by either of the following methods, at the Customer's discretion ("Divested Revenue"):

(a) One hundred percent (100%) of the Divested Market's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the notification multiplied by four (4); or

(b) A revenue amount that is less than the amount determined under subparagraph (a) above. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(2) The IDCCs will be reduced according to the following steps:

Step 1.

Determine the impact on total revenue by calculating the "Divestiture Percentage". The Divestiture Percentage is the percent change between the Pre-Divest and Post-Divest revenues. The "Pre-Divest Revenue" equals 100% of the Customer's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Divestiture Notice Date multiplied by four (4) or the Baseline MARC, whichever is greater. The "Post-Divest Revenue" equals Pre-Divest Revenue minus the Divested Revenue from (B)(1).

Example:
Pre-Divest Revenue = $37,900,000
Divested Revenue = $2,900,000
Post-Divest Revenue = $35,000,000
($37,900,000 - $2,900,000)

Divestiture Percentage = 8%
(1-($35,000,000/$37,900,000)) (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(2) (Cont'd)

Step 2.

The Divestiture Percentage will equal the percent reduction in the IDCs and IDCCs which remain available to the Customer.

Example:
IDCC-Level equals 5
Divestiture % = 8%

Reduced IDC = $34,500,000
($37,500,000 – ($37,500,000 X .08))

Reduced IDCC = $5,175,000
(5,625,000 – (5,625,000 X .08))

(3) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Divestiture Notice Date. The recalculated Key Numbers will become effective once the Divested Market's billed, recurring revenues for Qualified Access Service are no longer being billed to the Customer ("Divestiture Effective Date"). Starting with the remaining quarters of the Term Year as of the Divestiture Effective Date, the recalculated Key Numbers will be used to determine the applicable IDCC.

(a) If the Divestiture Effective Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Reduced IDCC will occur thirty (30) days after the Key Numbers are effective or thirty (30) days in arrears of the end of the quarter, whichever is later; or,

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(3) (Cont'd)

(b) If the Divestiture Effective Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible reduced IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

33.33.7 WAMS-VIP Cell-Site Performance – Credits

(A) Description

Cell-Site Performance Improvement Credits are available to the Customer based upon the quality of service delivered during the Term Period, as set forth in subparagraph (2) below. The credits will be granted in the event that the Telephone Company's Contract Offer No. 33 service performance level objectives for cell-site DS1 Qualified Access Services are not met.

(1) The DS1 Qualified Access Services cell-site performance level parameters will be based on DS1 Percentage of Network Availability. The DS1 Percent of Network Availability will be calculated by determining the actual hours that the cell-site DS1 circuits are in service during a given month compared to the total expected availability, and then aggregating those total hours over the course of a Term Year.

Example:

If a Customer had 100 circuits in service at the end of January and 110 at the end of February, their total hours of expected availability would be (31 days times 100 circuits, times 24 hours) plus (28 days, times 110 circuits, times 24 hours) or 148,320. This would be the denominator of the network availability equation.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(A) Description (Cont'd)

(1) Example: (Cont'd)

The numerator would be the total hours of outage based upon measured tickets reported to the Telephone Company subtracted from the 148,320. If there were eight (8) reported failures averaging 3.5 hours per outage, the total hours of outage would be equal to twenty-eight (28). The resulting availability equation for those two (2) months will be ((148,320-28)/148,320) or 99.981%. A twelve (12) month aggregation using the same process as noted for two (2) months will be used to determine annual percent availability for a Customer.

(2) Table F below provides cell-site service performance targets, based on DS-1 Percentage of Network Availability, for each Term Year.

Table F

Term Year	% Network Availability
1	99.9800%
2	99.9840%
3	99.9877%
4	99.9900%
5	99.9900%
6	99.9900%
7	99.9900%

(B) At the Annual True-Up, if the Telephone Company annual results fail to meet the performance target, as specified in Table D above, and the Customer has met the Baseline MARC, the Telephone Company will provide credits and services as follows:

(N)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(B)(Cont'd)

(1) The Telephone Company will apply one hundred dollars ($100) in special construction credits for each measured trouble ticket reported to the Telephone Company during the Term Year for cell-site improvements. The special construction credits will be used to improve performance at mutually agreed upon Customer's cell sites that are performing below the DS-1 Percentage of Network Availability as specified in Table D above.

For example: special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell-sites; and,

(2) The Telephone Company will provide Customer the ability to purchase Automatic Loop Transfer service at twenty-five percent (25%) discount off the monthly recurring rates described in F.C.C. No. 1, Section 33.5.2 for those cell sites that fail to meet the performance target, as specified in Table D above.

33.33.8 Termination

The Customer's subscription to this Contract Offer No. 33 shall terminate if Customer gives notice to Telephone Company, as set forth in the following paragraph, and as set forth in other sections of this Contract Offer No. 33.

The termination liability charges described below shall apply if termination occurs because the Customer does not make a Shortfall Payment as described in Section 33.33.5(B)(1) and/or the Customer elects to terminate its subscription to Contract Offer No. 33 for reasons other than described in Section 33.33.6 (2)(A)option(ii)(4) and/or 33.33.8(B).

If the Customer elects to terminate its Contract Offer Subscription during the Term Period, written notification must be provided to the Telephone Company indicating the Customer's intention to terminate its Contract Offer Subscription. This notification must include the date upon which the Customer wishes to terminate its Contract Offer Subscription.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.8 Termination (Cont'd)

(A) Termination Liability

Termination liability charges will consist of the sum of the following:

(1) Ten percent (10%) of the Baseline MARC divided by twelve (12) then multiplied by the number of months remaining in the Term Period; plus
(2) Repayment of the IDCC, given under Contract Offer No. 33 during the three (3) quarters preceding the termination date.

Example:

Customer with a Baseline MARC of $27,500,000 and an IDC of $32,500,000 terminates its Contract Offer Subscription after forty-eight (48) months and with thirty-six (36) months remaining in the eighty-four (84) month Term Period, and the Customer received IDCC $2,925,000 for the previous three quarters before termination. The termination liability charges would be:

(($27,500,000/12) X 10% X 36) + ($2,925,000) = $11,174,999 termination liability charge.

(B) Rate Reductions

If the tariffed rates for the Qualified Access Services are reduced by a cumulative total of twenty percent (20%) from the tariffed rates in effect as of the Effective Date (Initial Tariff Rates), either party may terminate the Contract Offer Subscription by providing a sixty (60) day written notice to the other party. Termination liability charges will not apply.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.33.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

To determine whether the 20% rate reduction has been met or exceeded, the Telephone Company shall perform an analysis within sixty (60) days following the Effective Date that details the Customer's inventory of Qualified Access Services and the Initial Tariff Rates (Initial Rate Analysis.)

Example: DS1-Initial Rate Analysis

Product Category/ Description	State	Zone	Term	Rate	Units	Total
DS1 - Channel Termination (CT)	CA	2	36	$25.00	4,000	$100,000
DS1 - Channel Mileage (CM-Fixed)				$21.00	1,600	$33,600
DS1 - Channel Mileage (CM-Per Mile)				$16.40	1,000	$16,400
DS1 Total					6,600	$150,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.33 Contract Offer No. 33 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

32.33.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

Telephone Company shall also perform a similar exercise within sixty (60) days following each Term Year detailing the Customer's inventory from the Initial Rate Analysis and the end-of-year tariff rates (EOY Rate Analysis). The Customer and Telephone Company will then compare the Initial Rate Analysis to the EOY Rate Analysis to identify the percent change in the total, cumulative rates, if any.

Example: Initial Rate Analysis and EOY Rate Analysis Comparison

Product Category	Units	Initial Tariff Rates	EOY Tariff Rates	% Rate Change
DS1	6600	$150,000	$122,000	
DS3	2000	$ 90,000	$ 70,000	
[1]	N/A	N/A	N/A	
Total	8600	$240,000	$192,000	20%

(D)

20% = (1-($192,000/$240,000))

The quantity of units for each product category used in the Initial Rate Analysis and the EOY Rate Analysis will be calculated from the Qualified Access Service rate elements listed below:

(1) DS1 – Channel Terminations (CT), Channel Mileage (CM) fixed and Channel Mileage (CM) per mile;

(2) DS3 – CT, CM fixed, CM per mile and Multiplexing (MUX); and

(3) [1] – Not applicable. Existing [1] Qualified Access Services are covered under flat-rate pricing, per Section 33.33.4.(C). (D)

[1] See footnote (1) on page 33-268

33. Pricing Flexibility Contract Offerings

33.34 Contract Offer No. 34 – Special Access Service Offer

33.34.1 General Description

The Special Access Service Offer (Contract Offer No. 34) is an access discount pricing plan requiring subscription from Customers under the following Access Tariffs: Ameritech Operating Companies Tariff F.C.C. No 2., Southwestern Bell Telephone Company Tariff F.C.C. No. 73, Nevada Bell Telephone Company Tariff F.C.C. No. 1, The Southern New England Telephone Company Tariff F.C.C. No. 39, and Pacific Bell Telephone Company Tariff F.C.C. No. 1. The plan requires Customers to maintain a Minimum Annual Revenue Commitment (MARC) for five (5) years. Contract Offer No. 33 is available to any Customer with at least $18.5 million in cumulative annual recurring revenue for qualified access services in the SBC Interstate Access Tariffs as identified above. The qualified access services for the Pacific Bell Telephone Company (PBTC) are listed in Section 33.34.3(B). The Customer must meet the Eligibility Criteria as described in Section 33.34.2 and the Terms and Conditions as described in Section 33.34.3.

The Customer must meet a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year term. In the event the Customer does not meet its MARC as of each anniversary date, the Customer will be required to remit a payment, via the Annual True-Up process described in Section 33.34.4(D), otherwise termination liability charges will apply. Contract Offer No. 33 will only be available November 20, 2004 through January 17, 2005.

33.34.2 Eligibility Criteria

The following Eligibility Criteria must be met in order to receive Contract Offer No. 34 discounts:

(A) Contract Offer No. 34 is only available for services located in the following Metropolitan Statistical Areas (MSAs): Bakersfield, Fresno, Los Angeles/Long Beach, Modesto, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton, CA;

If the Telephone Company receives pricing flexibility relief in additional MSAs, the Customer will be able to use services and/or revenue from those areas to meet MARC commitments upon adjustment of the MARC for those incremental revenues as defined in Section 33.34.4.

(B) The Customer cannot subscribe to this Contract Offer concurrently with SBC's MVP offering in Section 22;

(C) The Customer must have a minimum of $18.5 million in cumulative annual recurring revenue for Voice Grade (VG), Generic Digital Transport (DS0), High Capacity (DS1 & DS3), [1], [1], SONET Ring Access and [1] Services from this Contract Offer and the Contract Offers listed in Section 33.34.3 (A). (D)

[1] Material previously contained in this section has been deleted. DSRS GigaMAN, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 34 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.2 Eligibility Criteria (Cont'd)

(D) The Customer must maintain an Access Service Ratio, equal to or greater than 98%. The Access Service Ratio is defined in Section 33.34.3(H) and will be measured monthly.

33.34.3 Terms and Conditions

(A) Concurrent Subscription

The Customer must concurrently subscribe to the parallel Contract Offers of Contract Offer No. 34 pursuant to the following tariffs:

(1) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 31.
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 43.
(3) Nevada Tariff F.C.C. No. 1, Section 23, Contract Offer No. 2.
(4) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 6.

(B) Subject Services

Contract Offer No. 34 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) VG/DS0 Services - PBTC Tariff F.C.C. No. 1, Sections 7.5.3, 7.5.8 for Phase I MSAs, and Sections 31.5.2.3, 31.5.2.6 for Phase II MSAs;
(2) DS1/DS3 Service - PBTC Tariff F.C.C. No. 1, Sections 7.5.9 for Phase I MSAs and Section 31.5.2.7 for Phase II MSAs;
(3) [1]; (D)
(4) [1] – PBTC Tariff F.C.C. No. 1, Sections 7.5.13 and (D)
[1] for Phase I MSAs, and Sections 31.5.2.10 and [1] (D)
for Phase II MSAs.
(5) [1]. (D)

All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 33.34.4.

[1] See footnote (1) on page 33-302

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.3 Terms and Conditions (Cont'd)

(C) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Telephone Company receives a completed Letter of Authorization (LOA) from the Customer. Contract Offer No. 34 is not renewable.

Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any Subsequently Added Services to which Customer subscribes after commencement of the Term Period in accordance with the terms set forth herein, must be on five (5) year term payment plans or converted to five (5) year term payment plans (where available) in order to receive discounts pursuant to this Contract Offer. If five (5) year term is not available, the Customer must select from the longest term plan available for the service. The Customer may select from any term plan available for purchases of new Subject Services.

(D) Discounts

Discounts will be applied 60 days after the close of each quarter beginning with the first three months after contract commencement. Discounts will be applied each quarter that the Customer complies with MARC requirements, all Eligibility Criteria, and all Terms and Conditions. MARC calculations are discussed in Section 33.34.4 and the application of discounts is detailed in Section 33.34.5.

(E) General

Services are subject to certain rates, charges, and general terms and conditions in other sections of F.C.C. Tariff No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in this Contract Offer. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.3 Terms and Conditions (Cont'd)

(F) Contract Termination

If the Customer should terminate this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.34.8.

If the Customer fails to maintain any of the Terms and Conditions detailed in Section 33.34.3, the Telephone Company will notify the Customer in writing. The Customer will have 60 days to return to compliance. Failure to comply within 60 days will constitute a default and the Telephone Company shall have the right to terminate this contract. In the event of termination by Telephone Company, termination liability charges will apply as set forth in Section 33.34.8.

(G) Minimum Annual Revenue Commitment (MARC)

Customer must maintain a MARC (as described in Section 33.34.4) for each year in the Term Period of this Contract Offer.

(H) Access Service Ratio

As referenced in Section 33.34.2(D), the Customer and its affiliates must maintain an Access Service Ratio of 98% or greater. The ratio, calculated monthly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 98%. The 98% ratio is calculated as follows:

Access Revenue
Access Revenue + Wholesale Revenue

(1) Access Revenue is the Customer's and its affiliates interstate recurring billed revenue associated with the rate elements, as defined in Table A:

TABLE A:

Service	General/Basic Description	
Voice Grade	7.2.3	
Generic Digital Transport (DS0), High Capacity (DS1 and DS3) Services	7.2.8 & 7.2.9	
[1]		(I
[1]		(I
SONET Ring Access Service & [1]	7.2.11 & [1]	(I

(2) Wholesale Revenue is the Customer's and its affiliates recurring billed revenue for associated rate elements, as defined in Table B, not included in the interstate tariff(s).

[1] See footnote (1) on page 33-302

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.3 Terms and Conditions (Cont'd)

(H) Access Service Ratio (Cont'd)

TABLE B:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3/LT3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service** (Z)
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.3 Terms and Conditions (Cont'd)

(H) Access Service Ratio (Cont'd)

(3) As new rate elements are introduced to Table A in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio.

(4) As new rate elements are introduced to Table B in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Wholesale Revenue, as defined in this section, for calculation of the Access Service Ratio.

(5) If the Customer fails to meet the Access Service Ratio in any given month of the term, upon notification from the Telephone Company, the Customer has ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 98% Access Services Ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and the Telephone Company shall have the right to terminate this Contract Offer. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 33.34.8.

(6) Credits will not be issued until the Customer has met the 98% Access Services Ratio.

(I) The Customer will not be able to subscribe to any future Contract Offerings in Section 33 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer.

(J) The Customer must pay billed charges in full for the Term Period of the contract, excluding amounts being disputed. The Telephone Company will provide Customer written notice of a non-compliance situation. Customer will have ten (10) business days from receipt of the written notice to comply. If the Customer does not comply, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 33.34.8 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.3 Terms and Conditions (Cont'd)

(K) Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.4 and Section 33.34.3 (J) above.

(L) The Customer must provide, at the time of subscription, all of the Access Customer Name Abbreviation (ACNA), Other Company Name (OCN) and/or Tiecodes (collectively "Company Code(s)") that the Customer designates for inclusion in this Contract Offer. Company Code(s) may be added by the Customer after initial subscription but are subject to revenue and calculation requirements discussed in Section 33.34.4 (B). Customer shall not incur any termination liability under the relevant tariffs as a result of adding any such Company Code(s).

33.34.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

Under Contract Offer No. 34, the Customer must establish and maintain a MARC. The MARC will be calculated as outlined in this section. The MARC for the first year will be established when the Telephone Company receives the Letter Of Authorization (LOA) from the Customer and the Customer identifies the Company Code(s) that will be included in this Contract Offer pursuant to Section 33.34.3 (L).

The Customer's MARC for Year 1 is calculated based on the total of the previous three (3) months recurring revenue (recalculated to five-year term rates where applicable) pursuant to Section 33.34.3 (C)) for all Subject Services identified in Section 33.34.3 (B) from the SBC Tariffs identified in Section 33.34.3 (A) in eligible pricing flexibility MSAs, multiplied by four (4):

(Prior 3 months recurring revenue) x 4 = Year 1 MARC. The MARC for years 2 through 5 will be recalculated at each annual contract anniversary date.

Example for Year 1 MARC Establishment:

The Customer's prior 3 months recurring revenue (re-rated to 5 year term rates) is $5M. The Customer's Year 1 MARC would be $20M. ($5M X 4).

The MARC for years 2 through 5 will be recalculated at each annual contract anniversary date as follows:

Total of the prior three (3) months recurring revenue for all Subject Services multiplied by four (4).
If the recalculated MARC is greater than the previous year's MARC, the newly recalculated MARC will apply. If the recalculated MARC is less than the previous year's MARC, the previous year's MARC will carryover for the new year. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Calculation of the MARC (Cont'd)

Example for Year 2 MARC Establishment:

The Customer's prior 3 months recurring revenue is $4M. The Customer's Year 2 MARC is $20M. ($4M X 4 = $16M < $20M). In this example the Customer's prior 3 months recurring revenue multiplied by 4 is less than the Year 1 MARC.

If the Value is less than the Year 1 MARC, then the Year 1 MARC will be used for Year 2.

If the Value calculated is greater than the Year 1 MARC, then the newly calculated MARC will be used as the Year 2 MARC.

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not listed in Section 33.34.2, the Telephone Company will recalculate the MARC to incorporate recurring revenues from those areas and will include those revenues in the calculations discussed in Section 33.34.4 (B).

(B) Calculations to Achieve the MARC

Recurring revenue will be counted to determine whether the Customer achieves its MARC based on the following criteria:

(1) Revenue from Existing Services:

Recurring revenue from Subject Services to which the Customer subscribes as of the commencement of the Term Period and which are billed under the specific Company Code(s) provided by the Customer pursuant to Section 33.34.3 (L) will be included in the calculation used to achieve the MARC effective upon the commencement of the Term Period.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(2) Revenue from Subsequently Added Services:

Recurring revenue from Subject Services to which the Customer does not subscribe as of the commencement of the Contract Term Period will not be included in the calculations used to achieve the MARC except as specifically allowed in this subsection. Subject Services ordered prior to, and/or purchased after subscription to this Contract Offer and not subscribed to by the Customer as of the commencement of the Contract Term Period will be considered Subsequently Added Services.

Subsequently Added Services will be recalculated to five (5) year term payment plans in accordance with Section 33.34.3(C). Recurring revenue generated from these Subsequently Added Services may only be used in the calculations used to achieve the MARC after (1) the Telephone Company issues a completed service order, (2) the Customer has been billed for the Subsequently Added Services, and (3) the Subsequently Added Services are qualified under one of the following provisions:

(a) First Six (6) Months After Contract Subscription

Within the first six (6) months of subscribing to this Contract Offer, the Customer can add one or more of its existing Company Code(s) (with its corresponding recurring revenue) not previously included by the Customer on the LOA at the time of subscription pursuant to this provision. The Customer must notify the Telephone Company in writing of its desire to include additional Company Code(s) and specify the Company Code(s) to be added. The recurring revenue from Subject Services of these Company Code(s) (recalculated to five (5) year term payment plans where applicable pursuant to Section 33.34.3(C)) shall be eligible for the MARC discounts as detailed in Section 33.34.5 (A)(1). The recurring revenues from Subject Services of these added Company Code(s) are not eligible for above the MARC discounts detailed in Section 33.34.5 (A)(2) or win-back credits detailed in Section 33.34.5 (E). (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(2) Revenue from Subsequently Added Services: (Cont'd)

(b) After the first six (6) Months of Contract Subscription

After the first six (6) months of subscribing to this Contract Offer, the Customer can add one or more of its existing Company Code(s) (with its corresponding recurring revenue) not previously included by the Customer on the LOA at the time of subscription pursuant to this provision.

If the Customer chooses to include any of its additional existing Company Code(s) after the first six (6) months of subscription to this Contract Offer, the Customer must notify the Telephone Company in writing of its desire to include additional Company Code (s) and specify the Company Code(s) added at which time the MARC developed pursuant to Section 33.34.4 (A) will be re-calculated and increased to reflect the additional Company Codes (recalculated to five (5) year term payment plans where applicable pursuant to Section 33.34.3(C)). The recurring revenue from Subject Services of these Company Codes shall be eligible for the MARC discounts detailed in Section 33.34.5 (A),the above the MARC discounts detailed in Section 33.34.5 (A)(2) and the win-back credits detailed in Section 33.34.5 (E). (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(3) Mergers and Acquisitions

If, after subscribing to this Contract Offer, the Customer merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or assets of another company (the foregoing generally referred to herein as a merger or acquisition) or establishes joint marketing arrangements with another company for Subject Services (including services currently or previously provided through the Telephone Company's network under any Company Code(s)), the Mergers and Acquisition provisions discussed in Section 33.34.7 will apply.

(C) MARC Adjustments

The Customer shall have the right to adjust the MARC downward by 10% or 20%. This adjustment can only be made one time during the life of the Contract Term Period anytime after the first 12 months of the Contract Term Period. If the Customer exercises this option, reduced discounts (as specified in Table E Section 33.34.5(B)) shall apply for the remainder of the Contract Term Period, discounts previously provided during that contract year will be re-rated retroactively to reflect the reduced discount level, and certain provisions will no longer apply as detailed in Section 33.34.5(B). If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 33.34.7, reduced discounts will remain for the life of the Contract Term Period, and discounts previously received during that contract year will not be re-rated provided the Eligibility Criteria in Section 33.34.2, Terms and Conditions in Section 33.34.3 and the quarterly MARC schedule in Table D Section 33.34.5 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 33.34.5.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 - Special Access Service Offer (Cont'd)

33.34.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(D) Failure to Achieve the MARC

If the Customer fails to achieve the annual MARC commitment as of the anniversary dates, the Customer will be notified by the Telephone Company.

The Customer must remit an Annual True-Up amount calculated as the difference between the annual MARC for the current plan year and the actual annual recurring revenue for the Subject Services.

If the Telephone Company does not receive the Annual True-Up amount within 30 days of the Customer's receipt of its notification, the Customer is deemed to have terminated this Contract Offer and termination liability charges will apply as set forth in Section 33.34.8. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.5 Discounts and Other Credits

(A) Discount Schedule and Application

Table C contains the level of discounts for this Contract Offer.

TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	7%	20%
2	9%	20%
3	10%	20%
4	11%	20%
5	12%	20%

Example for Year 1:

Customer's MARC = $20M
Customer's actual annual recurring revenues for Subject Services = $25M
Customer will receive a 7% discount on $20M (issued quarterly in accordance with subsection (1) below) and a 20% discount on $5M (issued annually in accordance with subsection (2) below)

(1) The Customer will receive MARC discounts quarterly on recurring revenues for all Subject Services up to the MARC. The discount will be applied 60 days after the close of the quarter. Recurring revenue above the MARC is subject to discounts discussed in Section 33.34.5 (A)(2) below. Recurring revenue from Company Codes added pursuant to Section 33.34.3 (L) will receive quarterly discounts described below at the time the codes are added.

The Customer will receive the quarterly discounts as long as the following percentages of the MARC have been achieved by the close of the quarter per Table D. Discounts will be withheld if the Customer does not meet the percentage requirements in any given quarter and discounts will not be issued until the Customer is in compliance with the MARC percentage schedule as outlined below.

Table D:

Quarter	% of MARC
1st	25%
2nd	50%
3rd	75%
4th	100%

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

(1) (Cont'd)

For example, if the Customer has achieved 25% of the MARC by the close of the 1st quarter and is in compliance with all Terms and Conditions of this Contract Offer, discounts will be issued. If in the second quarter the Customer only achieves 40% of the MARC and all Terms and Conditions are met, discounts will be withheld. If by the 3rd quarter the Customer has achieved 75% of the MARC and is in compliance with all Terms and Conditions, discounts previously withheld in the 2nd quarter will be issued as well as discounts due for the 3rd quarter.

(2) The Customer will receive the 20% discount on recurring revenues above the MARC annually. The discount will be applied 60 days after each contract anniversary. Recurring revenue generated from services of Company Code(s) not identified at the time of subscription are not eligible for above the MARC discounts unless added pursuant to Section 33.34.3 (L) or Section 33.34.7. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.5 Discounts and Other Credits (Cont'd)

(B) MARC adjustments Discount Schedule and Application

Table E outlines discounts that the Customer will be eligible to receive depending on the MARC adjustment percentage chosen pursuant to Section 33.34.4 (C)

TABLE E:

MARC Adjustment	10%	20%
Discounts	Year 2 – 3% Year 3 – 4% Year 4 – 5% Year 5 – 6%	Year 2 – 2% Year 3 – 2% Year 4 – 3% Year 5 – 3%
Above MARC discount	Will only apply to revenue above the MARC used as the basis of the adjustment or the recurring revenue from the previous 3 months multiplied by 4, whichever is lower.	Will only apply to revenue above the MARC used as the basis of the adjustment or the recurring revenue from the previous 3 months multiplied by 4, whichever is lower.

For example, the Customer's year 1 MARC is $17M. The Customer's year 2 MARC is $18M (calculated as revenue from the last quarter in year 1 x 4). On the anniversary date at the end of year 2, the Customer's year 2 recurring revenue is $15M. The Customer elects to invoke the MARC adjustment option and adjust the MARC downward by 20%. The Customer's year 3 recalculated MARC is therefore $14.4M = ($18M x 80%).

The Customer's discounts (including any previously withheld) for year 2 will be recalculated to reflect levels as set forth in Table E and would total $300K ($15M x 2%). Any discounts that have been applied to the Customer's bill during year 2 in excess of $300K will be back-billed. The discount amount for year 3 is also 2% as set forth in Table E.

Discounts, on a going forward basis, will be based on the re-calculated MARC and will be subject to percentages as detailed in Table E. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.5 Discounts and Other Credits (Cont'd)

(C) Non-Recurring Charges

The Telephone Company will waive Non-recurring charges associated with the purchase of VG, DS0, DS1, DS3, [1], [1], and [1] Services. In the event that these non-recurring charges are billed, The Telephone Company will credit these charges quarterly. Access Order and Special Construction charges will apply where applicable. Non-recurring charges will be credited quarterly as long as the Customer is in compliance with the Eligibility Criteria in Section 33.34.2 and the Terms and Conditions of this Contract Offer as specified in Section 33.34.3. If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 33.34.4 (A) and fails to pay the Annual True-Up as defined in Section 33.34.4 (A), the Customer will be back-billed the previous 12-months non-recurring charges previously waived or credited. (D) (D)

(D) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of DS1, DS3, and [1]. In the event that termination liability charges for these moves and/or disconnections are assessed, the Telephone Company will credit these charges quarterly provided the following criteria are met, and provided the Eligibility Criteria in Section 33.34.2, and Terms and Conditions in Section 33.34.3 have been met. If the Customer fails to meet the MARC on each contract anniversary date pursuant to Section 33.34.4 (A) and fails to pay the Annual True-Up as defined in Section 33.34.4 (D), the Customer will be back-billed the previous 12-months charges that were waived or credited for termination liability charges. (D)

(1) The move, disconnect, and/or new service may be from any SBC Tariff as described in Section 33.34.1.

(2) DS1 Services

The Telephone Company will credit the Customer, quarterly, any termination liability charges assessed and not disputed for the move and/or disconnection of DS1s throughout the term of this Contract Offer, provided that the Eligibility Criteria in Section 33.34.2, and Terms and Conditions in Section 33.34.3 have been met.

[1] See footnote (1) on page 33-302

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(3) DS3, [1] and [1] Services (D)

The Telephone Company will credit the Customer, quarterly, for any termination liability charges assessed and not disputed for the move and/or disconnection of DS3s, [1], and [1] throughout the (D) Contract Term Period as long as the DS3, [1] or [1] has (D) been in service for a minimum of one (1) year from the original installation date, and provided that the Eligibility Criteria in Section 33.34.2 and Terms and Conditions in Section 33.34.3 have been met.

(4) [1] and [1] Point to Point Services

The Telephone Company will credit the Customer, quarterly, for any termination liability charges assessed and not disputed for the move and/or disconnection of [1] or [1] throughout the Contract (D) Term Period, as long as the [1] or [1] has been in (D) service for a minimum of three (3) years from the original installation date, and provided that the Eligibility Criteria in Section 33.34.2 and Terms and Conditions in Section 33.34.3 have been met.

(E) Winback

Winback credits will be calculated and applied on each contract anniversary date, and shall be in addition to all other discounts and credits set forth in this Contract Offer. Recurring revenue generated from services of Company Code(s) not identified at the time of subscription are not eligible for win-back credits described below.

(1) The Customer will receive a 20% discount for the first 12 months of service for any DS1 or DS3 services moved to the Telephone Company's network that were previously provided by another company as long as the service is on the Telephone company's network for at least one year.

(2) The Customer will receive a 30% discount for the first 12 months of service for any [1], [1], [1], and/or (D) [1] or [1] moved to the Telephone Company's network (D) that were previously provided by another company as long as the service is on the Telephone Company's network for at least one year.

[1] See footnote (1) on page 33-302

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.5 Discounts and Other Credits (Cont'd)

(E) Winback (Cont'd)

(3) The Customer must provide documentation to demonstrate that the Subject Services have been converted from another carrier to the Telephone Company's network. Documentation may include but is not limited to: circuit detail records, invoices, and coordinated orders to move the service. The Telephone Company is willing to review other documents that the Customer may deem appropriate to meet this criteria, however only to the extent that it does not result in breach of any non-disclosure agreements which may govern the distribution of such information.

33.34.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

80) (N)

Issued: November 19, 2004Effective: November 20, 2004

One SBC Plaza, Dallas, Texas 75202

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 34 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Subject Services of the other company involved in the merger or acquisition will not be used in Calculations of the MARC as discussed in Section 33.34.4 (A) or Calculations to Achieve the MARC discussed in Section 33.34.4 (B), except as permitted by one of the provisions in this subsection.

The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 33.34.2 and 33.34.3 in order to exercise the provisions in this subsection.

Recurring revenue from Subject Services from the other entity involved in the merger or acquisition can not be used for any incentives or discounts contained in this Contract Offer except as permitted by one of the provisions outlined in this subsection.

The Customer shall have four one-time choices (per merger or acquisition) to incorporate revenue from the other company involved in the merger or acquisition. If the Customer does not exercise any of the provisions in this subsection by the times specified in relation to the Transaction Close Date, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Achieve the MARC discussed in Section 33.34.4 (A) & (B).

The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

If the Customer has selected but not yet fully implemented one of the provisions in this subsection, the MARC adjustment calculation as detailed in Section 33.34.4 will only apply to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition. The Customer cannot combine any of the Merger and Acquisition provisions in this subsection. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

The Telephone Company will calculate Annual Total Special Access revenue of the other company or companies involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection. The Annual Total Special Access revenue will be determined by calculating the prior three (3) months recurring revenue for Subject Services of the other company involved in the merger or acquisition multiplied by four (4). Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn above the MARC discounts discussed in Section 33.34.5 (A) (2) for revenue from the other company involved in the merger or acquisition until after it exceeds the Annual Total Special Access revenue. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for above the MARC discounts discussed in Section 33.34.5 (A) (N)
(2) for revenue above the new combined MARC.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

33.34.7.1 Merger and Acquisition Provisions

(A) Mergers and Acquisitions – Access Services Ratio Impacting

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company or companies and inclusion of the recurring revenue from Subject Services from the other company or companies involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 33.34.3 (H), the Customer must select from Option 1 or 2 below in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer.

The Customer must fully comply with the Access Services Ratio Terms and Conditions within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule outlined in Table F below. As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Access Services Ratio in Section 33.34.4 (H), the MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 33.34.3 (H).

If at any time the Customer does not comply with the Access Conversion Schedule outlined in Table F below, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will have 30 days to comply with the Access Conversion Schedule. If the Customer does not comply within 30 days, this Contract Offer will be considered in default, and the Telephone Company shall have the right to terminate this Contract Offer and termination liability charges will apply as detailed in Section 33.34.8. Notwithstanding the foregoing, if Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, then the MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 33.34.3 (H) and the contract will not be considered in default, however, each party shall take all reasonable steps to comply as soon as possible. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.34 Contract Offer No. 34 - Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

33.34.7.1 Merger and Acquisition Provisions

(A) Mergers and Acquisitions - Access Services Ratio Impacting (Cont'd)

Table F outlines the Unbundled Network Element (UNE) to Access conversion schedule that will be used to migrate the services.

Table F: Access Conversion Schedule

90 Day Period	Required Conversion Level
1st	10%
2nd	20%
3rd	50%
4th	75%
5th	85%
6th	100%

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

33.34.7.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

(1) Option 1

(a) The Customer may establish a temporary MARC by adding 85% but not more than 100% (depending on the Customer's selection) of Special Access Services recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC as outlined below for a period not to exceed 18 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the Transaction Close Date.

(c) This option is not available in the 5th year of the Contract Term Period.

(d) The temporary MARC will be calculated by taking the last 3 months of applicable monthly recurring Special Access revenue for the other company involved in the merger or acquisition (from the date this option is selected) for Subject Services multiplied by four (4) multiplied by 85% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

(e) A combined permanent MARC will be established no later than 18 months following the Transaction Close Date using the following calculation.

(i) The last 3 months (at the time of the calculation) of monthly recurring Special Access revenue for the other company involved in the merger or acquisition for Subject Services multiplied by four (4) and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85% of temporary MARC as defined in Section 33.34.7.1 (A) (1) (d). (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

33.34.7.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

(2) Option 2

(a) The Customer must add at least 85% but no more than 100% (depending on the Customer's selection) of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC as outlined below for a period not to exceed 18 months from the Transaction Close Date.

(b) The Customer must exercise this option within 12 months following the Transaction Close Date

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The MARC will be set by taking the last 3 months of applicable monthly recurring Special Access revenue for the other company involved in the merger or acquisition (from the date this option is selected) for Subject Services for the other company involved in the merger or acquisition multiplied by four (4) and multiplied by 85% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

(B) Mergers and Acquisitions – Access Services Ratio Not Impacting

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of recurring revenue from Subject Services from the other company involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 33.34.3 (H), the Customer must select from Option 3 or 4 below in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

33.34.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not Impacting (Cont'd)

(1) Option 3

(a) The Customer may establish a temporary MARC by adding 90% to 100% (depending on the Customer's selection) of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services used to calculate the MARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the acquisition Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The temporary MARC will be established by taking the last 3 months (from the date the Customer selects this option) of applicable monthly recurring Special Access revenue, for the other company involved in the merger or acquisition for Subject Services multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection). This amount will be added to the Customer's existing MARC.

(e) A combined permanent MARC will be established no later than 12 months following the Transaction Close Ddate using the following calculation:

(i) The last three (3) months (at the time of the calculation) monthly recurring Special Access revenues from the other company involved in the merger or acquisition for Subject Services multiplied by four (4) and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85% of the temporary MARC as defined Section 33.34.7 (A) (4). (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.7 Mergers and Acquisitions (Cont'd)

33.34.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not Impacting (Cont'd)

(2) Option 4

(a) The Customer must add at least 90% but no more than 100% (depending on the Customer's selection) of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services used to calculate the MARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 12 months of the Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The MARC will be set by taking the last 3 months of applicable monthly recurring Special Access revenue (on the date this provision is selected) for the other company involved in the merger or acquisition for Subject Services multiplied by 4 and multiplied by 90% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 - Special Access Service Offer (Cont'd)

33.34.8 Termination Liability

(A) Termination Liability Charges

If the Customer terminates Contract Offer No. 34 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 33.34.2, or fails to meet any of the Terms and Conditions in Section 33.34.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 34 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Section 2.4.

The Customer's termination liability charge shall be equal to: 100% of all Discounts under Contract Offer No. 34 for the six (6) months immediately prior to the date of termination; plus the following schedule: (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.8 Termination Liability (Cont'd)

(A) Termination Liability Charges (Cont'd)

(1) If terminated in Year 1, 10.0% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.

(2) If terminated in Year 2 , 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.

(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.

(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5.

(5) If terminated in Year 5, 10.0% of the Year 5 MARC for the remaining portion of Year 5.

(B) New Technology Termination

If the Customer wishes to move its services to new alternative technology (such as Broadband over power lines, Wi-MAX, DWDM, or optical switching technologies), the Customer shall qualify to reduce the MARC termination liability charges as detailed above by 50% in year 4 and/or 5 of this Contract Offer as long as the conditions in this subsection are met. The Customer shall have the right to move its services to new alternative technology and receive reduced termination liability as long as Eligibility Criteria in Section 33.34. 2 and all Terms and Conditions in Section 33.34.3 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services.

For example, if the Customer wishes to terminate this Contract Offer due to a new technology in year 4 of the Contract Offer, the termination liability charge would be equal to 100% of discounts applied during the previous six-months as well as 6.25% of the Year 4 MARC for the remaining portion of year 4, plus 6.25% of the Year 4 MARC for year 5.

The Customer must notify SBC in writing at least 90 days prior to the start of year 4 if they wish to terminate in year 4 and invoke this provision or at least 90 days prior to the start of year 5 if they wish to terminate in year 5 and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer. Additionally, this provision is only available to the Customer if it has not exercised the 20% MARC adjustment option as detailed in Section 33.34.4 (C).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.34 Contract Offer No. 34 – Special Access Service Offer (Cont'd)

33.34.8 Termination Liability (Cont'd)

(C) This Section 33.34.8 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 34, except for charges due and payable for Subject Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 33.34.5 (C) and (D).

(N)

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service

33.35.1 General Description

OC-48 Dedicated Ring Service (Contract Offer No. 35)is an access discount plan that permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas, (hereafter referred to as MSAs) to receive discounts on an existing OC-48, with existing and new [1] and [1] circuits, as described in Section 33.35.6. The Customer must meet the eligibility criteria described in Section 33.35.3. The discounts are available based on the terms and conditions contained in Section 33.35.4. This Contract Offer is available in the MSAs listed in Section 33.35.4(B)1. (D)

33.35.2 Services Available Under Contract Offer No. 35

(A) Contract Offer No. 35 applies to pricing flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) [1]; (D)

(2) [1]. (D)

(3) Pacific Bell OC-48 Dedicated Ring - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.10.

All terms and conditions for the qualified services listed above are governed by the respective tariff sections as noted herein.

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 35 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service (Cont'd)

33.35.3 Contract Offer No. 35 - Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 35 discounts:

(1) Service must be a pricing –flexibility-qualified service listed in Section 33.35.2(A);
(2) Service must be located in an MSA listed in Section 33.35.4 (B)(1);
(3) Customer must renew an existing OC-48 ring;
(4) Customer must also purchase two (2) [(1)] and one (1) [(1)] circuits. (D)

33.35.4 Contract Offer No. 35 - Terms and Conditions

(A) Term Period

The contract term (Term Period)is seven (7) years commencing on the date billing begins. Billing commences no more than five (5) business days following the Telephone Company's completion of the service order. This offer is not renewable.

If the Customer elects to continue service at the expiration of the Term Period, the Customer must select from payment options outlined in Section [(1)] for Phase 1 (D)
MSAs and Section 31.5.2.10, [(1)] for Phase 2 MSAs. If the (D)
Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section [(1)] for Phase 1 MSAs and (D)
Section 31.5.2.10, and [(1)] for Phase 2 MSAs. (D)

Rate stability under Contract Offer No. 35 applies only to the rates specific to this Contract Offer as outlined in Table A in Section 33.35.5. Purchase of the Subject Services listed above are also subject to certain rates and charges in Sections 2-General Regulations, 5-Ordering Options for Switched and Special Access Service, 13-Additional Engineering, Additional Labor & Miscellaneous Services and 31-Metropolitan Statistical Area Access Services (as related to rates referred to in Section 31.5), as applicable. Such rates and charges may be modified through the filing of tariff changes at any time during the Term Period.

[(1)] See footnote (1) on page 33-331

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service (Cont'd)

33.35.4 Contract Offer No. 35 - Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 35 is only available for facilities located in the following Metropolitan Statistical Areas: San Francisco/Oakland, Sacramento and Stockton, California.

(2) Contract Offer No. 35 is only available December 3, 2004 through February 3, 2005.

(3) If the Customer should discontinue service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.35.7.

(4) Customer must subscribe to the services available under Contract Offer No. 35 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched & Special Access Service.

(5) Customer must place access service order requests to renew an existing OC-48 service and purchase two (2) [1] and one (1) [1] circuits at the time of subscription to this Contract Offer. (D)

(6) Customer must submit a Letter of Authorization / Firm Order Commitment (LOA-FOC).

(7) If, after the Customer submits the LOA-FOC, the Customer cancels the service order, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(8) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with this Contract Offer No. 35 that might be offered by the Telephone Company for services covered under this Contract Offer No. 35.

(9) Customer may add [1] and [1] at rates described in Section 33.35.6 Table A during the first 18 months of the 7 year Term Period. (D)

[1] See footnote (1) on page 33-331

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service (Cont'd)

33.35.4 Contract Offer No. 35 - Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(10) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 35 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent, defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee, are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service (Cont'd)

33.35.5 Circuit Portability

(A) The Customer may move circuit terminations (either the "A" and/or "Z" end(s)) from an existing location(s) to another location, subject to the following:

(1) For moves entirely within, or into, the qualified Pricing Flexibility approved MSAs of this Contract Offer, monthly recurring charges (MRC) listed in Section 33.35.5 Table A shall apply;

(2) For moves into the non-qualified Pricing Flexibility approved MSAs of this Contract Offer , the five (5) year Term Payment Plan tariff rates shall apply as described in F.C.C No. 1, Section [1]; (D)

(3) For moves that occur within the first 36 months of this Contract Offer, the Customer will not incur Non Recurring Charges (NRC) as described in F.C.C. No. 1, Section [1]; (D)

(4) For moves that occur in years four (4) through seven (7) of this Contract Offer, a standard 1-yr NRC shall apply as described in F.C.C. No. 1, Section [1]. (D)

[1] See footnote (1) on page 33-331

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service (Cont'd)

33.35.6 Contract Offer No. 35 Term Discounts

(A) The Customer must pay the Monthly Recurring Charges (MRC) for the following Rate Elements.

Table A

Rate Elements	USOC	Monthly Recurring Charge (MRC)
SONET DEDICATED RING OC48		
OC48 (2.4Gbps) Mo-to-Mo/Interoffice Mile	IL8XX	$389.31
Dedicated Ring – Alt Wire Center – OC48 (2.4 Gbps) 5 yr	FECAX	$1,362.57
Node–Dedicated Svc, CO Node – OC48 (2.4 Gbps) 5yr	FH5XC	$2,880.86
Node–Dedicated Svc, Prem Node – OC48 (2.4 Gbps) 5yr	FP5XC	$3,620.54
Premises Access Port – OC12c (622 Mbps)5yr.	FP6TX	$1,167.92
C O Access Port – OC12c (622 Mbps)	FC6TX	$1,167.92
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

(D)

(B) Non- Recurring Charges(NRC) can be referenced in F.C.C. No. 1 Section [1]. (D)

[1] See footnote (1) on page 33-331

33. Pricing Flexibility Contract Offerings

33.35 Contract Offer No. 35 – OC-48 Dedicated Ring Service (Cont'd)

33.35.7 Termination Liability

Termination liability, as described below, applies in lieu of the termination liability language contained in section 7.4.16. If Customer terminates Contract Offer No. 35 before the completion of the term period for any reason, the Customer agrees to pay The Telephone Company termination liability charges as described below. If the customer is not in compliance with the Eligibility Criteria in Section 33.35.3 or the Terms and Conditions in Section 33.35.4, termination liability charges will apply. These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described in section 7.4.16. Customer's termination liability charges for termination of service shall be equal to:

- 50% of all recurring charges for the balance of the Customers seven (7) year Term Period for the Subject Service that the customer has terminated.

- All remaining in-service Subject Services will convert back to the prevailing tariff rates at the end of the Term Period that the Customer signed up for. Prevailing tariff rates are highlighted in Section 7.5.9, 7.5.13, [1] for (D)
Phase 1 MSAs and Section 31.5.2.10 and [1] for Phase 2 (D)
MSAs.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)
Example: A Customer with a $20,000 monthly rate on a Subject Service terminates service after four years and has thirty-six months remaining in a seven year billing period. The termination liability charge would be calculated as:

$20,000 X 36 X 50% = $360,000 termination liability charge.

[1] See footnote (1) on page 33-331

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 36 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-338

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33. [1] (D)

[1] See footnote (1) on page 33-338

33. [1] (D)

[1] See footnote (1) on page 33-338

33. [1] (D)

[1] See footnote (1) on page 33-338

33. [1] (D)

[1] See footnote (1) on page 33-338

33. [1] (D)

[1] See footnote (1) on page 33-338

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 37 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-345

33. [1] (D)

[1] See footnote (1) on page 33-345

33. [1] (D)

[1] See footnote (1) on page 33-345

33. [1] (D)

[1] See footnote (1) on page 33-345

33. [1] (D)

[1] See footnote (1) on page 33-345

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer

33.38.1 General Description

OC-48 SONET Ring and Access Service (SRAS) Renewal Offer (Contract Offer No. 38) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 33.38.5 for the renewal of an existing OC-48 SONET Ring and Access Service (SRAS).

33.38.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive the Contract Offer No. 38 discount:

(1) Service must be located in the following Pricing Flexibility MSA: Sacramento, CA;
(2) Customer must renew an existing OC-48 SRAS at the rates listed in Section 33.38.5(A); and
(3) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(B) Contract Offer No. 38 applies to pricing flexibility OC-48 SRAS qualified access service contained in F.C.C. No. 1, Section 7.

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer (Cont'd)

33.38.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years commencing on the date billing begins. Billing commences no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

If at the expiration of Customer's contract Term Period, Customer elects to continue service, Customer shall select from payment options in Section 7.4.16 for SONET Ring and Access Service and be subject to the prevailing rates in Sections 31.5.2.10. If the Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing Tariff rates in Section 31.5.2.10.

Rate stability under the Term Period applies only to the rates specific to Contract Offer No. 38 as listed in Section 33.38.5. Purchase of the services listed above under Contract Offer No. 38 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 38. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer (Cont'd) (N)

33.38.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 38 is only available January 13, 2005 through February 13, 2005;

(2) Customer must submit a Letter of Authorization / Firm Order Commitment (LOA-FOC);

(3) If the Customer should discontinue service under Contract Offer No. 38 during the Term Period, termination liability charges will apply in accordance with Section 33.38.6;

(4) If the Customer requests additional ports, nodes, miles, or other SONET services not in service at the time the Customer subscribes to this Contract Offer 38, the Customer will pay the rates for those additions as contained in Section 33.38.5 (B);

(5) If the Customer requests modifications to the network design currently existing for the Customer under Contract Offer No. 38, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include but are not limited to reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(6) Customer must subscribe to the services available under this Contract Offer No. 38 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(7) The Customer will not be able to subscribe to any other contract offering in Section 33 in conjunction with Contract Offer No. 38 that might be offered by the Telephone Company for services covered under this Contract Offer 38; and

(8) Services under Contract Offer No. 38 will be eligible for discounts under the Managed Value Plan (MVP) offer in Section 22. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer (Cont'd)

33.38.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 38 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer (Cont'd)

33.38.4 Upgrade Option

(A) If the Customer requests that the renewed OC-48 SRAS be converted to a different higher grade service in the same MSA covered under this Contract Offer No. 38, such conversions are subject to the following conditions:

(1) The aggregate of the monthly payments with respect to the upgraded service over the term of such service ("Upgrade Service Revenue Value") must be equal to or greater than the aggregate of the monthly payments with respect to Contract Offer No. 38 over the remainder of the Term Period ("Existing Service Revenue Value");

(2) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer must make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade; and

(3) The Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate Contract Offer No. 38 and termination liability charges as determined in accordance with Section 33.38.6 will apply. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer (Cont'd)

33.38.5 Rates and Charges

(A) OC-48 SRAS Renewal Rate is a flat Monthly Recurring Charge (MRC) of $33,792 with the capacity limits listed below:

OC- 48 SRAS	USOC	MRC
Customer Premise Node	FP5XC	1
Central Office Node	FH5XC	4
Dedicated Ring Fee	FECFX	3
Local Loop per CO to Customer Premise Node Link	FECLX	1
Alternate Wire Center-per CO to Premise Node Link	FECAX	1
Central Office Access per DS3 Port	FC6YX	48
Premise Access per DS3 Port	FP6BX	48
Mileage (over 10 Miles)	IL5XX	1

(B) OC- 48 SRAS Additional Services Rates and Charges: Customer may subscribe to the following additional OC-48 SRAS services at the MRC rates below:

OC- 48 SRAS	USOC	MRC
Customer Premise Node	FP5XC	$ 4,576
Central Office Node	FH5XC	$ 3,916
Dedicated Ring Fee	FECFX	$ 704
Local Loop per CO to Customer Premise Node Link	FECLX	$ 1,408
Alternate Wire Center-per CO to Premise Node Link	FECAX	$ 1,848
Central Office Access per DS3 Port	FC6YX	$ 154
Premise Access per DS3 Port	FP6BX	$ 202
Mileage (0-10 Miles)	IL5XX	$ -
Mileage (over 10 Miles)	IL5XX	$ 440

If a node is added to the OC-48 SRAS, the new node will be co-terminus with the initial Term Period. However, if a node is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the node MRC for a minimum period of 12 (twelve) months.

(N)

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33. Pricing Flexibility Contract Offering (Cont'd)

33.38 Contract Offer No. 38 – OC-48 SONET Ring and Access Service Renewal Offer (Cont’d)

33.38.6 Termination Liability (N)

The termination liability language contained below applies in lieu of termination liability language contained in Section 7. If Customer terminates Contract Offer No. 38 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination. Customer's termination liability charges for termination of Contract Offer No. 38 shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's three (3) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $34,000 monthly recurring charge terminates service after one (1) year and has twenty-four (24) months remaining in a three (3) year term plan. The termination liability would be calculated as:

$34,000 X 24 X 50% = $408,000 termination liability charge. (N)

33. Pricing Flexibility Contract Offerings

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer

33.39.1 General Description

Contract Offer No. 39 – Dedicated Ring Service Offer is an access discount pricing plan that provides the Customer with discounted rates on qualified embedded base facilities configured as shown in Section 33.39.3 (A)(2). Discounted new unit rates will also apply on specified facilities configured as described in Section 33.39.4. Qualified Services under Contract Offer No. 39 are only available in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) as described in Section 33.39.3(A). Customer must meet eligibility criteria as described in Section 33.39.3. This Contract Offer is available from January 20, 2005 through February 20, 2005. This Contract Offer is not renewable.

33.39.2 Subject Services

Contract Offer No. 39 apples to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) OC-48 SONET Ring Access Service (SRAS) - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.10.

(2) [1]. (D)

(3) DS3 High Capacity Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.7.

All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein.

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 39 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to purchase services under Contract Offer No. 39:

(1) Service must be located in the following Pricing Flexibility MSA: San Diego, CA;

(2) The Customer's existing embedded configuration must include:

(a) One (1) OC-48 6 node ring with an additional 7th node added under; and

(b) The following sub-tending facilities:one (1) channelized [1] and 16 subtending channelized DS3 Hub extensions; (D)

(3) Customer must purchase one (1) new OC-48 2 Node Ring billed as described in Section 33.39.4.

[1] See footnote (1) on page 33-358

Pricing Flexibility Contract Offerings (Cont'd)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is for five (5) years commencing on the effective date of this Contract Offer. Billing adjustments for the embedded base will also become effective on the effective date of this Contract Offer.

If, at the expiration of this Contract Offer, the Customer wishes to continue subject services under this Contract Offer, the Customer must notify the Telephone Company in writing, at least 120 days prior to expiration of this Contract Offer. Upon receipt of such notice, the Customer and the Telephone Company may agree to negotiate, in good faith, the rates, Terms and Conditions of a new Contract Offer or to extend the rates, Terms and Conditions of this Contract Offer for one additional five (5) year term. If the Customer and Telephone Company reach an agreement on a new contract offer, the Telephone Company will make any necessary tariff filings with the FCC to effectuate the agreed rates, terms and conditions. Such filings may be subject to FCC review and approval. In the event negotiations result in a new Contract Offer, neither party shall have any obligation to the other, except to negotiate in good faith and to make tariff filings, as provided herein. The Telephone Company shall provide services to the Customer pursuant to the new Contract Offer upon its effectiveness.

If a new Contract Offer has not become effective at the expiration of the Term Period, the Customer may choose from the payment options as described in:

(1) Section 7.5.13 for OC-48 SONET Ring Access Service (SRAS) located in Phase 1 MSA's and Section 31.5.2.10 for OC-48 SONET Ring Access Service located in Phase 2 MSA's.

(2) [1]. (D)

(3) Section 7.5.9 for DS3 High Capacity Service located in Phase 1 MSA's and Sections and 31.5.2.7 for DS3 High Capacity Service located in Phase 2 MSA's.

If, at the expiration of the Term Period, a new contract offer has not become effective, and the Customer does not choose to disconnect or select a payment option from the Sections above, the services will be converted to the applicable monthly extension rates found in Section 7.5 for Phase 1 MSAs and 31.5.2 for Phase 2 MSAs.

[1] See footnote (1) on page 33-358

33. Pricing Flexibility Contract Offerings (Cont'd)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 39 is only available from January 20, 2005, through February 20, 2005.

(2) Contract Offer No. 39 applies only to the facilities contained in the embedded configuration described in Section 33.39.3 (A).

(3) Customer must purchase a new OC-48 SRAS billed in [1] increments as follows:
(a) 1st [1] initially upon the effective date of this Contract Offer No. 39, (D)
(b) 2nd [1] by January 1, 2006 (D)
(c) 3rd and 4th [1] by end of Term Year 4 (D)

(4) Customer must subscribe to the services available under this Contract Offer No. 39 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(5) Rate stability under the Term Period applies only to the rates specific to Contract Offer No. 39, as listed in Section 33.39.6.

(6) Purchase of the services listed above under Contract offer No. 39 are also subject to certain rates, charges and general terms and conditions in other section of Tariff F.C.C. No. 1 set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Addtinoal Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of a tariff change at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract No. 39.

(7) Customer must submit a Letter of Subscription (LOS).

(8) If, after the Telephone Company receives the Firm Order Commitment (FOC), but before service begins, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay the cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

[1] See footnote (1) on page 33-358

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(9) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with this Contract Offer except as provided for in 33.39.4 (B) (13) herein.

(10) Customer will not be able to include the subject services covered under this Contract Offer in any MVP agreement existing or new.

(11) If Customer should discontinue service under Contract Offer No. 39 during the Term Period, termination liability charges will apply in accordance with Section 33.39.7, with the exception of 33.39.4 (B)(13) below.

(12) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 39 pursuant to F.C.C. No. 2, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(12) (Cont'd)

(b) (Cont'd)

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet or;
(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

(13) Provided that Customer meets all Terms and Conditions as set forth in this section 33.39.4, Customer will be allowed to terminate services under this Contract Offer without incurring termination liability, as set forth in section 33.39.7, herein, should the Telephone Company offer the same subject services in a different Contract Offer, ICB arrangement, or special service arrangement provided that the Customer also meets the following criteria for subscription to the new Contract Offer:

(1) Customer must so elect in writing;
(2) Customer must be upgrading its purchased subject services such that the new term period is at least 5 years; and
(3) The upgraded subject services must have monthly billing that exceeds the monthly billing of the subject services of this Contract Offer.

33.39.5 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger of acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.6 Rates and Charges

Customer must pay the Monthly Recurring Charges (MRC) for each rate element listed, as described in Table B and Table C below. Any rate elements not described below will continue to be billed at tariff rates as described in Section 7.5, for Phase 1 MSAs and or 31.5.2 for Phase 2 MSAs.

Table B - Rates for the existing embedded base facilities as described in Section 33.39.3 (A):

Rate Element	Applicable USOC	Contract Rate
Customer Premise Node	FP5XC	$2,604
Central Office Node	FH5XC	$2,072
Dedicated Ring Fee	FECLX	$784
Dedicated Ring Fee	FECFX	$392
Alternate Wire Center Dedicated Ring Fee	FECAX	$980
DS3 Port-Customer Premise Node	FP6BX	$84
DS3 Port- Central Office Node	FC6YX	$70
DS3 Central Office Multiplexing	MQ3X5	$200
DS3 Circuit Service IOF Ingress and Egress Charge	FC6XB	$120
OC12 Port – Central Office Node	FC6ZX	$450
CO Node Inter-connect Fee	NOCC5	$460
Ring Interconnection Mileage	1L8XX	$30
DS3 Mileage	1L5XX	$14 per mile

Table C: Rates for the new OC48 Ring described in Section 33.39.4(4):

Rate Element	Applicable USOC	Contract Rate	Per OC12
Customer Premise Node	FP5XC	$2,418	$604.50
Central Office Node	FH5XC	$1,924	$481
Alternate Wire Center Loop Charge	FECAX	$520	$130
DS3 Port- Customer Premise Node	FP6BX	$78	NA
DS3 Port- Central Office Node	FC6YX	$65	NA
DS3 Central Office Multiplexing	MQ3X5	$200	NA
DS3 Circuit Service IOF Ingress and Egress Charge	FC6XB	$120	NA
DS3 Mileage	1L5XX	$13 per mile	NA

Non Recurring Charges (NRC) will apply as described in FCC 1 Section 7.5, for Phase 1 MSAs and or 31.5.2 for Phase 2 MSAs.

(This page filed under Transmittal No. 200) (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.39 Contract Offering No. 39 – Dedicated Ring Service Offer (Cont'd)

33.39.7 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section [1]. If Customer terminates Contract Offer 39 before the (D) completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section [1]. Customer's termination liability charges for (D) termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period based on the applicable tariff rate as described in Section 7.5 for Phase 1 MSAs and 31.5.2 for Phase 2 MSAs.

The termination liability charge will be calculated as follows:

(Tariff Monthly Recurring Charges) multiplied by (Month Remaining in billing) multiplied by (Termination liability percentage of 50%).

Example: Customer has $200,000 in Monthly Recurring Charges. If Customer terminates service after thirty-six (36) months and has twenty-four (24) month remaining in a sixty (60) month term plan. The termination liability would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Liability

[1] See footnote (1) on page 33-358

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(N)

33. Pricing Flexibility Contract Offerings

33.40 Contract Offer No. 40 – OC-48 SONET Ring Access Service Offer

33.40.1 General Description

OC-48 SONET Ring Access Service (SRAS) Offer (Contract Offer No. 40) is an access services discount pricing offer that permits Customers, who meet the eligibility criteria described in section 33.40.2, to purchase one(1) new three-node SRAS at the rates listed in Section 33.40.4.

Contract Offer No. 40 is only available for subscription February 16, 2005 through March 16, 2005. This offer is not renewable.

33.40.2 Eligibility Criteria

The following eligibility criteria must be met in order to subscribe to the Contract Offer No. 40:

(A) Services must be located in the following Metropolitan Statistical Area: Fresno, CA

(B) Contract Offer No. 40 applies to pricing-flexibility-qualified access services contained in Pacific Bell OC-48 SRAS Tariff F.C.C. No. 1, Section 31.5.2.10.

(C) Customer must purchase a new installation order for one (1) three-node OC-48 SRAS in order to receive discounts under this Contract Offer.

(D) Service must be a new installation.

(E) Customer must purchase one (1) OC-48 SRAS at the rate and capacity limits specified in Section 33.40.4 (A) for a five (5) year term. Customer must make the purchase of the new OC-48 SRAS at the rate specified in Section 33.40.4 within thirty (30) days of subscription to this Contract Offer.

33.40.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date billing begins. Billing commences no later than five (5) days after the Telephone Company's completion of the access service order. This offer is not renewable.

(N)

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(N)

33. Pricing Flexibility Contract Offerings

33.40 Contract Offer No. 40 – OC-48 SONET Ring Access Service Offer (Cont'd)

33.40.3 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

If, at expiration of the term period, the Customer elects to continue service, the Customer shall select from payment options in Section 7.4.16 for SONET Ring and Access Service and be subject to the prevailing rates in Section 31.2.5.10. If the Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing Tariff rates in Section 31.2.5.10.

(B) Terms and Conditions

(1) Contract Offer No. 40 is only available February 16, 2005 through March 16, 2005;

(2) Customer must submit a Letter of Subscription(LOS);

(3) If the Customer should discontinue service under Contract Offer No. 40 during the Term Period, termination liability charges will apply in accordance with Section 33.40.5.

(4) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(5) If the Customer requests additional service features and functions not included in Section 33.40.4, the Customer must pay the tariff rates for those additions as contained in Section 7-Special Access Service or Section 31-Metropolitan Statistical Area Access Services depending on the service type.

(6) The Customer cannot resell any capacity on services covered under this Contract Offer to a third party.

(7) This Contract Offer cannot be combined with any other promotion, contract, or discount offer.

(N)

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(N)

33. Pricing Flexibility Contract Offerings

33.40 Contract Offer No. 40 – OC-48 SONET Ring Access Service Offer (Cont'd)

33.40.3 (B) Terms and Conditions (Cont'd)

(8) If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 40 pursuant to F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

(N)

33. Pricing Flexibility Contract Offerings

33.40 Contract Offer No. 40 – OC-48 SONET Ring Access Service Offer (Cont'd)

33.40.4 Rates and Charges

(A) Monthly Recurring Charges (MRC)

Monthly Recurring Charge (MRC) for the new OC-48 SRAS is a flat MRC of $18,000 with the capacity limits listed below:

OC-48 SRAS	USOC	Quantity
OC-48 Mileage	1L8XX	20
OC-48 CO node to CO node	FECFX	1
OC-48 Alternate Wire Center - CO node to Premise node	FECAX	1
OC-48 Local Loop CO node to Premise node	FECLX	1
OC-48 CO node	FH5XC	2
OC-48 CO node, DS3 Access Ports	FC6YX	24
OC-48 Premise node	FP5XC	1
OC-48 Premise node, DS3 Access Ports	FP6BX	24

(B) Non-recurring charges

Non-Recurring Charges (NRC) for OC-48 SRAS can be referenced in F.C.C. No. 1 Section 31.2.5.10.

33.40.5 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7. If the Customer terminates this Contract Offer before the completion of the term period for any reason, the Customer must pay the Telephone Company termination liability charges as described below. Termination Liability charges will also apply if the customer is not in compliance with the Eligibility Criteria in Section 33.40.2 or the Terms and Conditions in Section 33.40.3. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described below.

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(N)

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(N)

33. Pricing Flexibility Contract Offerings

33.40 Contract Offer No. 40 – OC-48 SONET Ring Access Service Offer (Cont'd)

33.40.4 Rates and Charges (Cont'd)

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $18,000 monthly recurring charge terminates service after two (2) years and has 36 months remaining in a five (5) year Term Period. The termination liability would be calculated as:

$18,000 X 36 X 50% = $324,000 termination liability charge.

(N)

33. Pricing Flexibility Contract Offerings

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (D)

33.41.1 General Description

(D)

Managed Value Plan (MVP) DS1, DS3 and [1] Service Offer (Contract Offer No. 41) is an access discount pricing plan for MVP Customers where subscription is required in four of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, Southern New England Telephone Company and Pacific Bell Telephone Company. This Offering provides a 50% discount off recurring tariff rates for DS1, DS3, and [1] Services as described in Section 33.41.2. In order to receive the discount Customers must meet the Eligibility Criteria as described in Section 33.41.3 and are subject to the Terms and Conditions as described in Section 33.41.4. Customers will continue to receive MVP discounts provided that they meet their MVP contract obligations in Section 22 of F.C.C. No. 1 Tariff.

Customers must commit to a Current Annual Revenue Commitment (CARC), as described in Section 33.41.5. To ensure that the customer will meet the CARC by end of years 2005, 2006 and 2007, the Telephone Company will review revenue quarterly. In the event the Customer is not meeting its CARC, the customer will be required to remit payments, via the quarterly True-Up process described in Section 33.41.6, otherwise termination liabilities will apply.

Contract Offer No. 41 will only be available between February 23, 2005, through March 25, 2005.

33.41.2 Services Available Under Contract Offer No. 41

(A) Contract Offer No. 41 offers discounts on the recurring rates for the Price Flex eligible DS1, DS3 and [1] Access Services (hereafter referred to as Subject Services) contained in the Tariff Sections listed below, and only in the Metropolitan Statistical Areas (hereafter referred to as MSAs) defined in Section 33.41.4(C). The discounts also apply to the MVP qualified access services, which are Subject Services that are counted toward achievement of the MARC or any temporary MARC pursuant to Section 33.41.8. (D)

Service	General / Basic Description	Phase 1 MSAs Rates and Charges	Phase 2 MSAs Rates and Charges
DS1 and DS3 Services	7.2.9	7.5.9	31.5.2.7
[1]			

(D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 41 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.2 Services Available Under Contract Offer No. 41 (Cont'd)

(B) Purchase of the Subject Services listed above pursuant to Contract Offer No. 41 are subject to the specific terms and conditions of Section 33.41.4. Additionally, purchase of the services listed above pursuant to Contract Offer No. 41 are also subject to the general terms and conditions of F.C.C. Tariff No. 2 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 6-Switched Access Service, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such general terms and conditions may be modified through the filing of tariff changes at any time during the Term Period; however, such changes will not change the regulations described in Contract Offer No. 41.

Subject Services continue to be governed by the respective terms and conditions of the MVP provisions in Section 22, F.C.C. Tariff No. 1 except as noted herein.

33.41.3 Eligibility Criteria for Contract Offer No. 41

Customer must meet the following eligibility criteria at the time of subscription and must continue to meet these eligibility criteria throughout the term period of this Contract Offer. Failure to meet the eligibility criteria at any time shall result in termination of this Contract Offer.

(A) Contract Offer No. 41 is only available to Customers who are currently subscribing to MVP, in the following Telephone Companies:

- Ameritech Operating Companies (AIT) F.C.C. No. 2 Section 19;
- Southwestern Bell Telephone Company (SWBT) F.C.C. No. 73 Section 38; and
- Pacific Bell Telephone Company (PBTC) F.C.C. No. 1 Section 22.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.3 Eligibility Criteria for Contract Offer No. 41 (Cont'd)

(B) Customer must also concurrently subscribe to the identical contract offers of Contract Offer No. 41 pursuant to the following tariffs:

- SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 35;
- AIT Tariff F.C.C. No. 2, Section 22, Contract Offer No. 47;
- SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 10.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.3 Eligibility Criteria for Contract Offer No. 41 (Cont'd)

33.41.4 Terms and Conditions

(A) Term Period

The contract Term Period will commence on April 1, 2005 if the Telephone Company has received a completed Letter of Subscription and expires on December 31, 2007 ("Term Period").

This offer is not renewable.

(B) Application

Subject Services to which the Customer already subscribes as of the commencement of the Term Period will receive discounts effective upon the commencement of the Term Period.

Subject Services purchased after the commencement of the Term Period will receive the discounts only after the service has been provisioned.

Monthly billing credits will be issued for every month in which the Subject Services are purchased in compliance with the eligibility criteria in Section 33.41.3. The Credits will be applied within 30 days after each billing cycle.

(C) This Contract Offer No. 41 is only available for Subject Services located in the following MSAs:

Pricing-Flexibility MSAs: San Francisco/Oakland, and Los Angeles/Long Beach, California.

(D) Contract Offer No. 41 provides a discount of 50% off the monthly recurring tariff rates listed in Section 33.41.2 (A) for existing and new Subject Services.

Example:
Subject Services Monthly Recurring Charge = $2000
50% Discount = $1000

(E) Customer agrees to maintain a Current Annual Revenue Commitment (CARC) (as described in Section 33.41.5) for the calendar years of 2005, 2006 and 2007.

(F) Customer agrees to a quarterly true-up as described in Section 33.41.6 for the calendar years of 2005, 2006 and 2007.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

3.41.4 Terms and Conditions (Cont'd)

(G) When Customer subscribes to this Contract Offer, the Telephone Company will waive any termination liabilities that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 41 for the Subject Services to be provided pursuant to this Contract Offer. Termination liabilities shall otherwise apply according to the terms of the applicable tariff.

(H) Customer must submit a letter of Subscription to the Telephone Company.

33.41.5 Current Annual Revenue Commitment

Under Contract Offer No.41, Customer will commit to maintain a Current Annual Revenue Commitment (CARC). The CARC will be established using either the Customer's current MVP MARC or an Annual Revenue Commitment calculated as outlined below in Section 33.41.5(A), whichever is greater. The CARC will be established as soon as the Telephone Company receives the Letter of Subscription from Customer. The CARC calculation will be the latest CARC established for Customers who are subscribing to PBTC Tariff F.C.C. No.1, Section 33, Contract Offer No. 41.

(A) Determining the Annual Revenue Commitment

The Customer's Annual Revenue Commitment is calculated based on the total of the previous three (3) months recurring billing for all MVP qualified access services prior to any MVP discounts (as listed in F.C.C. 1, Section 22.2), multiplied by four (4). The Annual Revenue Commitment is calculated as follows:

Previous Three (3) Months Recurring Billing X 4 = Annual Revenue Commitment

(B) If at any time during the contract Term Period of this Contract Offer the Customer's MVP MARC becomes greater than the CARC the Customer will commit to increase and maintain the CARC to be equal to its MVP MARC as it may change during the Term Period.

(C) If the Customer fails to achieve the CARC on either December 31, 2005, December 31, 2006 or December 31, 2007, and fails to remit the annual projected gap payment, the Customer will be deemed to have terminated its subscription in Contract Offer No. 41 and termination liability charges will apply as set forth in Section 33.41.7.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.6 Quarterly True-Up

To ensure that the customer will meet the CARC by the end of each year 2005, 2006 and 2007, the Telephone Company will review revenues quarterly. In the event that the Customer has an estimated shortfall, the Customer is required to remit Quarterly Gap Payments as described below. Quarterly is defined as consecutive three (3) month periods from April 1, 2005 through December 31, 2005, from January 1, 2006 through December 31, 2006 and from January 1, 2007 through December 31, 2007. The process of remitting payments to eliminate the Annual Projected Gap is referred to as the True-Up process.

The Telephone Company will calculate the Customer's Annual Projected Gap (if any) on a quarterly basis. The Annual Projected Gap is the CARC, less any annual projected MVP discounts, less actual annualized revenues. Actual annualized revenue is the Customer's actual billed amount to date, annualized to determine end of year estimated revenues. Actual annualized revenues will include any previous quarterly gap payment that the Customer has made. For this calculation, the actual annualized revenues are calculated after discounts from this Contract Offer No. 41, and any other applicable credits or discounts (i.e., MVP) have been applied.

Example A: Annual Projected Gap calculation at end of 1st Quarter 2006

CARC= $ 12,000,000
Less projected MVP discounts= $ 2,000,000
Sub total= $ 10,000,000
Less actual quarterly revenue ($1.5M) X 4 (annualized)
= $6,000,000
Annual Projected Gap = $ 4,000,000

(A) If there is a positive Annual Projected Gap as measured above for the quarter, the Customer agrees to make Quarterly True-Up payments. Quarterly True-Up payments will be calculated using the percentages in section 33.41.6 (B) and will be applied to the Annual Projected Gap to determine the gap payment. See example B in Section 33.41.6.

(B) Quarterly True-up payments will be calculated utilizing the following percentiles:

Quarter	Percent
1st	0%
2nd	25%
3rd	66%
4th	100%

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.6 Quarterly True Up (Cont'd)

Example B: Quarterly True-up

1st Quarter
Actual revenue 1st Quarter:
January = $ 400,000
February = $ 500,000
March = $ 600,000
Total = $ 1,500,000

CARC $12,000,000
Less projected MVP discount = $ 2,000,000
Sub total = $10,000,000
Less actual 3 months revenue ($1.5M) x 4
(annualized) = $ 6,000,000
Annual Projected Gap = $ 4,000,000

$4,000,000 x 0% = $0.00 Quarterly True-up payment

2nd Quarter
Actual revenue 1st and 2nd Quarter:
January= $ 400,000
February = $ 500,000
March= $ 600,000
April = $ 600,000
May = $ 700,000
June = $ 700,000
Total= $ 3,500,000

CARC = $12,000,000
Less projected MVP discount = $ 2,000,000
Sub total = $10,000,000
Less actual 6 months revenue ($3.5M)
x 2 (annualized): = $ 7,000,000
Annual Projected Gap = $ 3,000,000

$3,000,000 x 25% = $750,000 Quarterly True-up payment

[1] See footnote (1) on page 33-371

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 - MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

Example B: Quarterly True-up (Cont'd)

3rd Quarter, 2006

Actual revenue 1st, 2nd and 3rd Quarter
January = $ 400,000
February = $ 500,000
March = $ 600,000
April = $ 600,000
May = $ 700,000
June = $ 700,000
July = $ 500,000
August = $ 600,000
September = $ 665,038
Total = $ 5,265,038

CARC =
$12,000,000
Less projected MVP discounts = $2,000,000
Sub total =
$10,000,000
Less (9 months actual revenue + 2nd Quarter Gap
payment) x 1.33: ($5,265,038 + $750,000) x 1.33 = $8,000,000
Annual projected Gap = $2,000,000
$2,000,000 x 66% = $1,320,000 Quarterly True-up payment

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

Example B: Quarterly True-up (Cont'd)

4th Quarter 2006

Actual revenue 1st, 2nd, 3rd and 4th Quarter

January	= $	400,000
February	= $	500,000
March	= $	600,000
April	= $	600,000
May	= $	700,000
June	= $	700,000
July	= $	500,000
August	= $	600,000
September	= $	665,038
October	= $	500,000
November	= $	550,000
December	= $	614,962
Total	= $	6,930,000

CARC	= 12,000,000
Less projected MVP discounts	= $2,000,000
Sub total	=$10,000,000
Less (12 months actual revenue + 2nd & 3rd Quarter Gap payment): $6,930,000 + $750,000 + $1,320,000	= $9,000,000
Annual Projected Gap	= $1,000,000

$1,000,000 x 100% = $1,000,000 Quarterly True-up payment

In the example above at the end of the 4th Quarter the Customer's actual revenue plus the Customer's Quarterly Gap payments, plus projected MVP discounts will equal the CARC.

$6,930,000 (end of year actual revenue) + $750,000 (2nd Quarter Gap payment) + $1,320,000 (3rd Quarter Gap Payment) + $1,000,000 (4th Quarter Gap Payment)+ $2,000,000 (projected MVP discount) = $12,000,000

(C) The Telephone Company will provide customer a quarterly gap payment bill (if applicable) within 30 days after the end of the quarter.

(D) If at the end of December 31, 2005, December 31, 2006 or December 31, 2007 the Customer has exceeded their CARC (actual revenue + gap payments) and have made Quarterly Gap Payments, The Telephone Company will credit the Customers account the amount exceeding the CARC, but not greater than the total gap payments the Customer has made.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 41 pursuant to F.C.C. No. 2, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 2, Section 2.1.2, unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.41.8 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 41 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets constituting an operating business to any other entity, or purchases all stock or substantially all stock or assets constituting an operating business of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases MVP qualified access services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for MVP qualified access services of the other company or the assets constituting an operating business involved in the merger or acquisition will not be used in Minimum Annual Revenue Commitment (MARC)as discussed in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (C), except as permitted by one of the provisions in this subsection.

[1] See footnote (1) on page 33-371

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.8 Mergers and Acquisitions (Cont'd)

The Customer must be meeting its current MVP MARC commitments (or be current in paying any shortfall between the Annual MARC and actual Annual Billing) and all Eligibility Criteria and Terms and Conditions outlined in Sections 33.41.3 and 33.41.4 in order to exercise the provisions under this subsection.

Recurring revenue from MVP qualified access services from the other entity involved in the merger or acquisition can not be used for any incentives or discounts contained in this Contract Offer except as permitted by one of the provisions outlined in this subsection.

The Customer shall have four one-time choices (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise any of the provisions in this subsection by the times specified in relation to the Transaction Close Date, the Customer will not be permitted to use existing or future MVP qualified access services revenues from the other company or companies or operating business or businesses involved in the merger or acquisition in the Minimum Annual Revenue Commitment in Pacific Bell Telephone Company Tariff F.C.C. No. 1 Section 22.3 (C)

The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company or operating business have been purchased.

If the Customer has selected one of the provisions in this subsection, the MARC adjustment calculation as detailed in the Minimum Annual Revenue Commitment in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (C) will be calculated as provided in the provision of the subsection that Customer has selected.

The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

The Telephone Company will calculate MVP qualified access services revenue of the other company or operating business involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection. The MVP qualified access services revenue will be determined by calculating the prior three (3) months recurring revenue for of the other company or operating business involved in the merger or acquisition multiplied by four (4).

[1] See footnote (1) on page 33-371

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33. Pricing Flexibility Contract Offerings

33.41 Contract Offer No. 41 - MVP DS1, DS3 and [1] Service Offer (D)

33.41.8 Mergers and Acquisitions (Cont'd)

33.41.8.1 Merger and Acquisition Provisions

(A) Mergers and Acquisitions - Access Services Ratio Impacting

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets constituting an operating business to any other entity, or purchases all stock or substantially all stock or assets constituting an operating business of another company and inclusion of the recurring revenue from MVP qualified access services from the other company or companies or operating business or businesses involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Customer Obligations as defined in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (B) and Access Service Ratio in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (D), the Customer must select from Option 1 or 2 below in order to receive incentives and discounts for the other company or operating business involved in the merger or acquisition under this Contract Offer.

The Customer must fully comply with the Access Services Ratio Terms and Conditions within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule outlined in Table A below. As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Customer Obligations as defined in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (B) (in the case of any shortfall in meeting the MARC, be in compliance with requirements to pay any shortfall between the Annual MARC and actual Annual Billing) and Access Service Ratio in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (D), the MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Customer Obligations as defined in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (B) and Access Service Ratio in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (D).

If at any time the Customer does not comply with the Access Conversion Schedule outlined in Table F below, MVP Commitment Discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will have 30 days to comply with the Access Conversion Schedule. If the Customer does not comply within 30 days, this Contract Offer will be considered in default, and the Telephone Company shall have the right to terminate this Contract Offer and termination liability charges will apply as detailed in Section 33.41.9. Notwithstanding the foregoing, if Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, then the MVP Commitment Discounts will continue to apply and the Customer shall not be considered out of compliance with the Customer Obligations as defined in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (B) and Access Service Ratio in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (D) and the contract will not be considered in default, however, each party shall take all reasonable steps to comply as soon as possible.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings

33.41 Contract Offer No. 41 - MVP DS1, DS3 and [(1)] Service Offer (D)

33.41.8 Mergers and Acquisitions (Cont'd)

33.41.8.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

Table A outlines the Unbundled Network Element (UNE) to Access conversion schedule that will be used to migrate the services.

Table A: Access Conversion Schedule

90 Day Period	Required Conversion Level
1st	10%
2nd	20%
3rd	50%
4th	75%
5th	85%
6th	100%

(1) Option 1

(a) The Customer may establish a temporary MARC by adding 85% but not more than 100% (depending on the Customer's selection) of MVP qualified access services recurring revenue from the other company or operating business involved in the merger or acquisition billed by the Telephone Company to the Customer's existing MARC as outlined below for a period not to exceed 18 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the Transaction Close Date.

(c) This option is not available in the final year of the Contract Term Period of this Contract Offer.

(d) The temporary MARC will be calculated by taking the last 3 months of applicable monthly recurring MVP qualified access services revenue for the other company or operating business involved in the merger or acquisition (from the date this option is selected) multiplied by four (4) multiplied by 85% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

[(1)] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.8.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Service Ratio Impacting (Cont'd)

(1) Option 1 (Cont'd)

(e) A combined permanent MARC will be established no later than 18 months following the Transaction Close Date using the following calculation.

(i) The last 3 months (at the time of the calculation) of monthly recurring MVP qualified access services revenue for the other company involved in the merger or acquisition multiplied by four (4) and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85% of temporary MARC as defined in Section 33.41.8.1 (B) (1) (d).

(2) Option 2

(a) The Customer must add at least 85% but no more than 100% (depending on the Customer's selection) of MVP qualified access services recurring revenue from the other company or operating business involved in the merger or acquisition billed by the Telephone Company to the Customer's existing MARC as outlined below for a period not to exceed 18 months from the Transaction Close Date.

(b) The Customer must exercise this option within 12 months following the Transaction Close Date

(c) This option is not available during the final year of the Contract Term Period of this Contract Offer

(d) The MARC will be set by taking the last 3 months of applicable monthly recurring MVP qualified access services revenue from the other company or operating business involved in the merger or acquisition (on the date this option is selected) multiplied by four (4) and multiplied by 85% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.8 Mergers and Acquisitions (Cont'd)

(B)) Mergers and Acquisitions – Access Services Ratio Not Impacting

(A) Mergers and Acquisitions – Access Services Ratio Not Impacting

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets constituting an operating business to any other entity, or purchases all stock or substantially all stock or assets constituting an operating business of another company and inclusion of recurring revenue from MVP qualified access services from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below the Customer Obligations as defined in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (B) (in the case of any shortfall in meeting the MARC, be in compliance with any requirements to pay any shortfall between the Annual MARC and actual Annual Billing) and Access Service Ratio in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 22.3 (D), the Customer must select from option 3 or 4 below in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer.

(1) Option 3

(a) The Customer may establish a temporary MARC by adding 90% to 100% (depending on the Customer's selection) of MVP qualified access services revenue from the other company or operating business involved in the merger or acquisition used to calculate the MARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the acquisition Transaction Close Date.

(c) This option is not available during the final year of the Contract Term Period of this Contract Offer.

(d) The temporary MARC will be established by taking the last 3 months of applicable monthly recurring MVP qualified access services revenue, for the other company or operating business involved in the merger or acquisition (from the date this option is selected) multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection). This amount will be added to the Customer's existing MARC.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.8 Mergers and Acquisitions (Cont'd)

33.41.8.1 Merger and Acquisition Provisions(Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not Impacting (Cont'd)

(1) Option 3 (Cont'd)

e) A combined permanent MARC will be established no later than 12 months following the Transaction Close Date using the following calculation:

(i) The last three (3) months (at the time of the calculation) of monthly recurring MVP qualified access services revenues from the other company or operating business involved in the merger or acquisition multiplied by four (4) and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 90% of the temporary MARC as defined Section 33.41.8.1 (C) (4).

(2) Option 4

(a) The Customer must add at least 90% but no more than 100% (depending on the Customer's selection) of MVP qualified access services recurring revenue from the other company or operating business involved in the merger or acquisition billed by the Telephone Company to the Customer's existing MARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 12 months of the Transaction Close Date.

(c) This option is not available during the final year of the Contract Term Period of this Contract Offer.

(d) The MARC will be set by taking the last 3 months of applicable monthly recurring MVP qualified access services revenue from the other company or operating business involved in the merger or acquisition (on the date this provision is selected) multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

[1] See footnote (1) on page 33-371

33. Pricing Flexibility Contract Offerings (Cont'd)

33.41 Contract Offer No. 41 – MVP DS1, DS3 and [1] Service Offer (Cont'd) (D)

33.41.9 Termination Liability Charges

If the Customer terminates service of this Contract Offer before the completion of the Term Period for any reason whatsoever the customer agrees to pay the Telephone Company termination liability charges described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 60 days prior to the desired date of termination to the Telephone Company.

If the Customer fails to meet any of the eligibility criteria in section 33.41.3 or fails to maintain any of the Terms and Conditions in section 33.41.4, the Customer will be deemed to have terminated its participation in Contract Offer No. 41 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 2 , Section 2.4.

Customers termination liability shall be equal to:

(A) 100% of all Discounts received under this Contract Offer No. 41 during the six (6) months immediately prior to the date of termination, plus;

(B) 25% of the CARC for each year in the remaining portion of the Term Period.

Any previous gap payments paid by the customer will be forfeited.

Example C:

The Customer signs up for Contract Offer No. 41 and it begins April 1, 2005. The Customer terminates its participation in Contract Offer No. 41 effective August 15, 2006. The termination liability charge that would apply is calculated as follows:

Annual CARC = $12M
Monthly CARC = $12M / 12 months = $1M
Number of months remaining in contract = 15.5
Remaining value of CARC = 15.5 x $1M = $15.5M
25 % of remaining value of CARC = .25 x $15.5M = $3.875M
February 2006 - July 2006 discounts = $500K

Total Termination Liability Charge = $3.875M + $500K = $4.375M

[1] See footnote (1) on page 33-371

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33. Pricing Flexibility Contract Offerings

33.42 Contract Offer No. 42 – OC-12 and OC-48 Dedicated SONET Ring Service

33.42.1 General Description

OC-12 and OC-48 Dedicated SONET Ring Service (DSRS)(Contract Offer No. 42) is an access discount plan that permits Customers located in Phase 1 and 2 Pricing Flexibility Metropolitan Statistical Areas, (hereafter referred to as MSAs) to receive discounts on the renewal of four (4) OC-12 and one (1) OC-48, DSRS, as described in Section 33.42.5. The Customer must meet the eligibility criteria described in Section 33.42.3. Customer will receive discounts based on the terms and conditions contained in Section 33.42.4. This Contract Offer is available in the MSAs listed in Section 33.42.4(B) 1. Contract Offer No. 42 is only available February 25, 2005, through March 25, 2005.

33.42.2 Services Available Under Contract Offer No. 42

(A) Contract Offer No. 42 applies to pricing flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) OC-12 Dedicated SONET Ring – Pacific Bell Tariff F.C.C. No 2, Section 21.5.2.9.
(2) OC-48 Pacific Bell Tariff F.C.C. No 2, Section 21.5.2.7.

All terms and conditions for the qualified services listed above are governed by the respective tariff sections as noted herein.

(N)

33. Pricing Flexibility Contract Offerings

(N)

33.42 Contract Offer No. 42 – OC-12 and OC-48 Dedicated SONET Ring Service (Cont'd)

33.42.3 Contract Offer No. 42 - Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 42 discounts:

(1) Service must be a pricing – flexibility-qualified service listed in Section 33.42.2(A);

(2) Service must be located in the MSAs listed in Section 33.42.4 (B) (1);

(3) Customer must renew four (4) OC-12 DSRS; and

(4) Customer must renew one (1) OC-48.

33.42.4 Contract Offer No. 42 - Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date billing begins. Billing commences no more than 30 days following the Telephone Company's completion of the service order. This offer is not renewable.

If the Customer elects to continue service at the expiration of the Term Period, the Customer must select from payment options outlined in Section 7.5.10 for Phase 1 MSAs and Section 21.5.2.9, for Phase 2 MSAs. If the Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 7.5.10 for Phase 1 MSAs and Section 21.5.2.9 for Phase 2 MSAs.

Rate stability under Contract Offer No. 42 applies only to the rates specific to this Contract Offer as outlined in Table A in Section 33.42.5. Purchase of the Subject Services listed above are also subject to certain rates and charges in Sections 2-General Regulations, 5-Ordering Options for Switched and Special Access Service, 13-Additional Engineering, Additional Labor & Miscellaneous Services and 21-Metropolitan Statistical Area Access Services (as related to rates referred to in Section 21.5), as applicable. Such rates and charges may be modified through the filing of tariff changes at any time during the Term Period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

(N)

33.42 Contract Offer No. 42 – OC-12 and OC-48 Dedicated SONET Ring Service (Cont'd)

33.42.4 Contract Offer No. 42 - Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 42 is only available for facilities located in the following Metropolitan Statistical Areas: Los Angeles / Long Beach, Sacramento and San Francisco / Oakland CA.

(2) Contract Offer No. 42 is only available February 24, 2005, through March 25, 2005.

(3) If the Customer should discontinue service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.42.7.

(4) Customer must subscribe to the Subject Services available under Contract Offer No. 42 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched & Special Access Service.

(5) Customer must renew four (4) OC-12 and one (1) 0C-48 Dedicated SONET Ring Service.

(6) Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(7) If, after the Telephone Company receives the Letter of Subscription (LOS), but before service begins, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay the cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(8) Customer will not be able to subscribe to any future contract offerings in Section 33 in conjunction with this Contract Offer No. 42 that might be offered by the Telephone Company for services covered under this Contract Offer No. 42.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.42 Contract Offer No. 42 – OC-12 and OC-48 Dedicated SONET Ring Service (Cont'd)

33.42.4 Contract Offer No. 42 - Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

If the Customer wishes to assign or transfer its use of services under Contract Offer No. 42 pursuant to F.C.C. No. 2, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent, defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee, are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

(N)

33.42 Contract Offer No. 42 – OC-12 and OC-48 Dedicated SONET Ring Service (Cont'd)

33.42.5 Contract Offer No. 42 Rates

(A) The customer must pay Nonrecurring Charges (NRC) and Monthly Recurring Charges (MRC) for the following Rate Elements.

Table A

Rate Element-Dedicated SONET Ring Service (DSRS)	**Monthly Recurring Charge (MRC)**	**Non-Recurring Charge (NRC)**
Four (4) OC-12	$26,623.10	$0
One (1) OC-48	$58,542.35	$0

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.42 Contract Offer No. 42 – OC-12 and OC-48 Dedicated SONET Ring Service (Cont'd)

33.42.6 Termination Liability

Termination liability, as described below, applies in lieu of the termination liability language contained in section 7.4.16. If Customer terminates Contract Offer No. 42 before the completion of the Term Period for any reason, the Customer must pay The Telephone Company termination liability charges as described below. If the Customer is not in compliance with the Eligibility Criteria in Section 33.42.3 or the Terms and Conditions in Section 33.42.4, termination liability charges will apply. These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described in section 7.4.16. Customer's termination liability charges for termination of service shall be equal to:

- 50% of all recurring charges for the balance of the Customers five (5) year Term Period for the Subject Service that the customer has terminated.

  The termination liability charge will be calculated as follows:

  (Tariff Monthly Recurring Charges) multiplied by (Month Remaining in billing) multiplied by (Termination liability percentage of 50%).

  Example: Customer has $200,000 in Monthly Recurring Charges. If Customer terminates service after thirty-six (36) months and has twenty-four (24) month remaining in a sixty (60) month term plan. The termination liability would be calculated as:

  $200,000 X 24 months X 50% = $2,400,000 Termination Liability

- All remaining in-service Subject Services will convert back to the prevailing tariff rates at the term that the customer signed up for. Prevailing tariff rates are highlighted in Section 7.5.13 for Phase 1 MSAs and Section 31.5.2.13 for Phase 2 MSAs.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer

33.43.1 General Description

DS1/DS3 High Capacity Service Offer (Contract Offer No. 43) is an access discount offer that permits Customers located in the Los Angeles and San Diego Metropolitan Statistical Areas (hereafter referred to as MSAs), to purchase DS1 and DS3 High Capacity Services at the rates listed in Section 33.43.5 with minimum purchase and in-service requirements.

Contract Offer No. 43 is only available for subscription March 5, 2005 through April 5, 2005. This offer is not renewable.

33.43.2 Eligibility Criteria

The following eligibility criteria must be met in order to purchase the DS1/DS3 High Capacity Offer:

(A) Circuits purchased under Contract Offer No. 43 must be located in the following Metropolitan Statistical Area(s):

Los Angeles and/or San Diego, CA

(B) DS1/DS3 High Capacity Service Offer applies to pricing-flexibility-qualified access services contained in the following tariff sections:

(1) DS1 High Capacity TPP Service – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.4.18.

(2) DS3 High Capacity Service – Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 7.2.9.

All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

(C) Customer must provide documentation, as described in Section 33.43.3(B)(13), to substantiate that a carrier other than Pacific Bell Telephone company or SBC affiliate has proposed or otherwise is willing to offer an equivalent capacity service at similar rates, terms and conditions.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.3 Terms and Conditions

(A) Term Period

The Contract Term Period is three (3) years commencing on the date the customer subscribes to this Contract Offer. Billing commences no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

The Service Term Period for DS3 services is three (3) years and one (1) year for DS1 services.

At the expiration of the Contract Term Period or Service Term Period for DS3 services, the Customer may select from payment options in Section 7.5.9 or Section 31.5.2.7 depending on the MSA relief level in effect at the time of expiration.

At the expiration of the Service Term Period of one (1) year for DS1 services only, the Customer may select from payment options in Section 33.43.5 at any time during the Contract Term Period. At the expiration of the Contract Term Period, the Customer must select from the payment options available in Section 7.5.9 or Section 31.5.2.7 depending on the MSA relief level in effect at the time of expiration.

If at expiration of the Contract Term Period or Service Term Period for DS1 and DS3, the Customer does not elect an option from the sections noted above or disconnect service, the services will be converted to the prevailing monthly extension rates in Section 7.5.9 or 31.5.2.7 depending on the MSA relief in effect at the time of expiration.

(B) Other Terms and Conditions

(1) Contract Offer No. 43 is only available for subscription March 5, 2005 through April 5, 2005;

(2) Customer must submit a Letter of Subscription and/or Firm Order Commitment (LOS and/or FOC) to subscribe to this Contract Offer;

(3) If the Customer should discontinue service under this Contract Offer during the Contract Term Period or Service Term Period, termination liability charges will apply in accordance with Section 33.43.3 (B) (15) and Section 33.43.6. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(4) If after the Telephone Company receives the Letter of Subscription (LOS) and the Customer receives the Firm Order Confirmation (FOC), but before service begins, the Customer cancels the LOS and/or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(5) If the Customer requests additional service features and functions not included in Section 33.43.5, the Customer must pay the tariff rates for those additions as contained in Section 7-Special Access Service or Section 31-Metropolitian Statistical Area Access Services depending on the service type.

(6) The Customer must purchase three (3) DS1 services at the rate specified in Section 33.43.5 (A) within nine (9) months of subscription to this Contract Offer.

(7) The Customer must purchase 100 DS1 services at the rate specified in Section 33.43.5 (B) within nine (9) months of subscription to this Contract Offer.

(8) The Customer must purchase two (2) DS3 services at the rate specified in Section 33.43.5 (C) within nine (9) months of subscription to this Contract Offer.

(9) The Customer must purchase six (6) DS3 services at the rate specified in Section 33.43.5 (D) within three (3) months of subscription to this Contract Offer.

(10) The Customer will have the option to purchase DS1 services with the configurations following at the rates specified in Section 7.5.9 and Section 31.5.2.7 depending on the level of MSA relief available at the time of purchase. These services can be used to achieve and maintain minimum service requirements specified in Section 33.43.3 (B) (6 and 7).

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(10) (Cont'd)

DS1 Channel Termination and Transport Service:

The Customer must purchase 1 channel termination, and channel mileage (fixed and per mile) with a minimum of two (2) miles.

These purchases can be used to achieve and/or maintain service requirements for Section 33.43.5(B).

For example, a customer purchases one hundred DS1s with a single channel termination at the rates specified in Section 33.43.5 (B) level 1. The customer also purchases fifty DS1s with one channel termination and channel mileage for a total of 150 DS1 purchases. The customer has therefore achieved Level 2 and will be assessed $110 for the one hundred DS1s with the single channel termination and will be assessed rates according to Section 7.5.9 or Section 31.5.2.7 for the 50 DS1s services with one channel termination and channel mileage.

DS1 Point to Point 11 mile Transport Service:

The Customer must purchase 1 channel termination, and channel mileage (fixed and per mile) with a minimum of 11 miles.

These purchases can be used to achieve and/or maintain service requirements for Section 33.43.5(A).

For example, a customer purchases two (2) DS1s with one channel termination and channel mileage under 11 miles, at the rates specified in Section 33.43.5 (A) level 1. The customer also purchases three (3) DS1s with one (1) channel termination and channel mileage equal to or greater than 11 miles for a total of 5 DS1 purchases. The customer has therefore achieved Level 2 and will be assessed $275 for the two DS1s with the channel termination and channel mileage purchased pursuant to Section 33.43.5 (A) and will be assessed rates according to Section 7.5.9 or Section 31.5.2.7 for the three (3) DS1s services with one (1) channel termination and channel mileage equal to or greater than 11 miles.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.3 Terms and Conditions (Cont'd)

(B)(Cont'd)

(11) The Customer has the option to purchase additional DS1 and DS3 services at the rates specified in Section 33.43.5 at any time during the Contract Term Period.

(12) Minimum purchase requirements in Section 33.43.3 (B) (6,7,8, and 9) must be achieved through new installations and these in-service levels must be maintained throughout the three (3) year Contract Term Period. If the Customer fails to maintain these in-service levels throughout the life of this Contract Offer, termination liability charges will apply pursuant to Section 33.43.3 (B) (15) and Section 33.43.6.

(13) For all services purchased pursuant to Section 33.43.3 (B)(6,7,8, and 9), the Customer must present documentation to substantiate that a carrier other than Pacific Bell Telephone company or SBC affiliate has proposed or otherwise is willing to offer an equivalent capacity service at similar rates, terms and conditions. Such documentation may include (but is not limited to) bids for service, invoices, circuit detail records, (N)
service orders, and/or move or rearrangement orders.

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.3 Terms and Conditions (Cont'd)

(B)(Cont'd)

(14) The Customer may renew up to 60 DS1 services currently on month to month terms provided by Pacific Bell Telephone Company. These services can be renewed at the rates specified in Section 33.43.5. These services may not be used to achieve or maintain minimum service requirements outlined in Section 33.43.3 (B) (6, 7, 8, and 9).

(15) The Customer may move or disconnect DS1 or DS3 services within the Los Angeles or San Diego Metropolitan Statistical Areas under this Contract offer provided the Customer has achieved and maintains minimum service requirements outlined in Section 33.43.3 (B) (6, 7, 8, and 9).

Total in-service volumes will be reviewed quarterly (based on calendar quarters) by service type and configuration for the purpose of determining eligibility for credits of termination liability associated with moves and disconnections. Verification will be done 30 days after the close of each quarter. Total in-service volumes will be based on services purchased and/or renewed under this Contract Offer pursuant to Section 33.43.3 (B) (6, 7, 8, 9, 10, and 14). If the current quarter's in-service volumes are equal to or exceed in-service volumes from the previous quarter, the Telephone Company will credit termination liability charges.

If the current calendar quarter's in-service volumes are less than in-service volumes from the previous quarter, the Customer will be assessed a shortfall charge calculated as:

In-service volumes at the end of the previous quarter) – (In-service volumes at the end of the current quarter) x (MRC) x (remaining months of circuit term) x 50%

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

The shortfall charge will be assessed to the customer unless the Customer elects the buy-up option below within 30 days of receiving notification that the shortfall charge will be assessed. The buy-up option will be calculated as:

In-service volumes at the end of the previous quarter) – (In-service volumes at the end of the current quarter) x (3 MRC)

(16) Purchase of the services listed above under this Contract Offer are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options for Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, installation and rearrangement charges in Section 7 and 31 for DS1 and DS3 and such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in this Contract Offer.

(17) This Contract Offer can not be combined with any other promotional, contract, or discount offer.

(18) Minimum purchase requirements in Section 33.43.3 (B) (6,7,8, & 9) may be met by aggregating Customer purchases in the Los Angeles and San Diego MSAs. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.4 Assignment and Transfers

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2)if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

- "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(N)

- "high risk" in a Paydex score as published by Dun and Bradstreet.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.5 Rates and Charges

Rates will be assessed based on total volumes in-service purchased pursuant to Section 33.43.3 (B)(6,7,8,9 & 10) by type and configuration as outlined below.

When a customer achieves a new rate level, all services previously purchased will be assessed based on the new level achieved on a going-forwarded basis only.

For example, if a customer purchases four (4) DS1 Point to Point services they will be assessed $300 per DS1 according the chart below. Upon billing of a 5th DS1 Point to Point, the customer will be assessed $275 for all 5 DS1 Point to Point Services (including the original four (4)). The first four (4) will be billed the $275 rate on a going-forward basis and will not receive retro-active credits.

(A) DS1 Point to Point Service – 1 year term period

Level	**Volumes**	**Monthly Recurring Charge**
1	1-4	$300
2	5-9	$275
3	10+	$250

The following rate categories are included for this service. Additional rate categories will be billed at prevailing tariff rates.

Rate Element	USOC	Quantity
Channel Termination	TMECS	2
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-10

(B) DS1 Channel Termination Service – 1 year term period

Level	**Volumes**	**Monthly Recurring Charge**
1	1-149	$115
2	150-199	$110
3	200+	$100

The following rate categories are included for this service. Additional rate categories will be billed at prevailing tariff rates.

Rate Element	USOC	Quantity
Channel Termination	TMECS	1

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.5 Rates and Charges (Cont'd)

(C) DS3 Point to Point Service – 3 year term period

Level	**Volumes**	**Monthly Recurring Charge**
1	1-3	$1438.02
2	3-8	$1138.02
3	9+	$838.02

The following rate categories are included for this service. Additional rate categories will be billed at prevailing tariff rates.

Rate Element	USOC	Quantity
Channel Termination	Z3MAC/Z3MAP	1
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-35

(D) DS3 Multiplexed Service – 3 year term period

Level	**Volumes**	**Monthly Recurring Charge**
1	1-6	$738.02
2	7-12	$638.02
3	13+	$538.02

The following rate categories are included for this service. Additional rate categories will be billed at prevailing tariff rates.

Rate Element	USOC	Quantity
DS3 to DS1 Multiplexer	MQ3	1
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-35

(E) Non-recurring charges (N)

Non-recurring charges will be waived on installations, moves and rearrangements for DS1 and DS3 services.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.6 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.4.18 (G) for DS1 services and Section 7.4.11 (B) for DS3 services. If the Customer terminates this Contract Offer before the completion of the Contract Term Period for any reason, (except due to (i) material failure of Telephone Company to provide the services; or (ii) material failure of Telephone Company to comply with the provisions of this Tariff), the Customer must pay The Telephone Company termination liability charges as described below. Termination Liability charges will also apply if the customer is not in compliance with the Eligibility Criteria in Section 33.43.2 or the Terms and Conditions in Section 33.43.3. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described below.

If the Customer fails to achieve and maintain purchase requirements identified in Section 33.43.3 (B)(6, 7, 8 & 9) throughout the Contract Term Period pursuant to Section 33.43.3 (B)(12), this Contract Offer will be considered terminated and the Customer will be billed terminations charges outlined below.

The Customer's termination liability charges shall be equal to:

50% of all recurring charges for the balance of the Customer's service term period for all services under contract.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.43 Contract Offer No. 43 – DS1/DS3 High Capacity Service Offer (Cont'd)

33.43.6 Termination Liability (Cont'd)

For example, if the customer terminates the contract six (6) months after contract subscription and has 100 DS1 services with a monthly recurring charge of $115 and six (6) DS3 services with a monthly recurring charge of $738.02 with all services installed at contract inception, the termination liability charge will be calculated as follows:

DS1 - $115 (MRC) X 100 (services) x 6 (months remaining) X 50% = $34,500

DS3 - $738.02 (MRC) X 6 (services) X 30 (months remaining) X 50% = $66,421.80

The total termination liability charge in this example would be $100,921.80.

In this example, all services were installed at contract inception. Actual calculations will be applied on a service (circuit) specific level based on the number of months remaining in the term period for each service.

At contract termination, all services under contract will revert to month to month terms at the rates specified in Section 7.5.9 or Section 31.5.2.7 depending on the level of MSA relief at the time of contract expiration.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.44 Contract Offer No. 44 - DS3 High Capacity Service Offer

33.44.1 General Description

DS3 High Capacity Service Offer (Contract Offer No. 44) is an access discount offer that permits Customers located in the Los Angeles and San Diego Metropolitan Statistical Area, to purchase three DS3 Services at the rates listed in Section 33.44.5.

Contract Offer No. 44 is only available March 5, 2005 through April 5, 2005.

33.44.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to purchase the DS3 High Capacity Service Offer:

(1) This Contract Offer is only available for circuits located in the following Metropolitan Statistical Area:

Pricing Flexibility MSA:

Los Angeles and/or San Diego, CA

(2) The customer must have previously subscribed to a contract offer in Section 33 of Pacific Bell Telephone Company Tariff F.C.C. No. 1.

(B) DS3 High Capacity Service Offer applies only to DS3 High Capacity service contained in the following tariff section:

Pacific Bell Telephone Company Tariff F.C.C. No 1

Rate Regulation	Phase I Rates and Charges	Phase II Rates and Charges
7.2.9	7.5.9	31.5.2.7

All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

(C) Customer must provide documentation, as described in Section 33.44.3(F), to substantiate that a carrier other than Pacific Bell Telephone company or SBC affiliate has proposed or otherwise is willing to offer an equivalent capacity service at similar rates, terms and conditions.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.44 Contract Offer No. 44 – DS3 High Capacity Service Offer (Cont'd)

33.44.3 Terms and Conditions

(A) Term Period

The Contract Term Period is three (3) years commencing when the Customer subscribes to this Contract Offer. The Service Term Period is three (3) years commencing on the date billing begins. Billing commences no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

If at the expiration of the Customer's Contract Term or Service Term Period, the Customer elects to continue service, the Customer shall select from payment options in Section 7.5.9 or Section 31.5.2.7 depending on the service type and MSA relief level available at the expiration of the Contract Term Period or Service Term Period. If the Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 7.5.9 or Section 31.5.2.7 depending on the service type and MSA relief level.

(B) This Contract Offer is only available March 5, 2005 through April 5, 2005.

(C) In order to subscribe to this Contract Offer the Customer must submit a Letter of Subscription (LOS).

(D) If after the Telephone Company receives the LOS and the Customer receives the Firm Order Confirmation (FOC), but before service begins, the Customer cancels the LOS and/or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(E) If the Customer requests additional service features and functions not included in 33.44.5, the Customer will pay the tariff rates for those additions as contained in Pacific Bell Telephone Company Tariff F.C.C. No.1.

(F) Service must be a new installation and the Customer must present documentation to substantiate that a carrier other than Pacific Bell Telephone company or SBC affiliate has proposed or otherwise is willing to offer an equivalent capacity service at similar rates, terms and conditions. Such documentation may include (but is not limited to) bids for service, invoices, circuit detail records, service orders, and/or move or rearrangement orders. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.44 Contract Offer No. 44 – DS3 High Capacity Service Offer (Cont'd)

33.44.3 Terms and Conditions (Cont'd)

(G) Customer is limited to purchasing three DS3 High Capacity Services at the rates detailed in Section 33.44.5, which must be purchased upon subscription to this Contract Offer.

(H) The Customer can not combine this contract offer with any other promotional, contract, or discount offer.

(I) Purchase of the services listed above under this Contract Offer are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period, however such tariff modifications will not change the terms and conditions described in this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.44 Contract Offer No. 44 – DS3 High Capacity Service Offer (Cont'd)

33.44.4 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2)if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

- "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

- "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.44 Contract Offer No. 44 - DS3 High Capacity Service Offer (Cont'd)

33.44.5 Rates and Charges

Customer shall pay one of the Monthly Recurring Charge (MRC) for the DS3 High Capacity Service depending on the Customer's selection:

(A) DS3 High Capacity Service - Type A
Monthly Recurring Charge (MRC) - $1838.02 - 3-yr term

The following rate elements are included:

Description	USOC	Quantity
Channel Termination	Z3MAC/Z3MAP	1
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-45

(B) DS3 High Capacity Service - Type B
Monthly Recurring Charge (MRC) - $1938.02 - 3-yr term

The following rate elements are included:

Description	USOC	Quantity
DS3 to DS1 Multiplexer	MQ3/MQ4	1
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-90

(C) Non-recurring charge - $250
The non-recurring charge covers the installation of service associated with:

Description	USOC
Channel Terminations	Z3MAC/Z3MAP
DS3 to DS1 Multiplexing	MQ3/MQ4

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.44 Contract Offer No. 44 – DS3 High Capacity Service Offer (Cont'd)

33.44.6 Termination Liability

If Customer terminates this Contract Offer before the completion of the Contract or Service Term Period for any reason or disconnects any service purchased under this Contract Offer before the completion of the Contract Term Period, the Customer will pay The Telephone Company termination liability charges as described below in lieu of termination liability charges in Section 7.4.11. Termination Liability charges will also apply if the customer is not in compliance with the Eligibility Criteria in Section 33.44.2 or the Terms and Conditions in Section 33.44.3. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described below. Customer's termination liability charges shall be equal to:

50% of all recurring charges for the balance of the Customer's three (3) year Term Period.

The termination liability charge will be calculated as follows for each service:

(Monthly recurring rate) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $1,938.02 monthly recurring rate terminates service after twelve months and has twenty-four months remaining in a three (3) year term plan. The termination liability would be calculated as:

$1,938.02 X 24 X 50% = $23,256.24 termination liability charge. (N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 45 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

ACCESS SERVICE

33. [1] (D)

[1] See footnote (1) on page 33-412

33. [1] (D)

[1] See footnote (1) on page 33-412

33. [1] (D)

[1] See footnote (1) on page 33-412

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33. [1] (D)

[1] See footnote (1) on page 33-412

33. [1] (D)

[1] See footnote (1) on page 33-412

33. [1] (D)

[1] See footnote (1) on page 33-412

33. [1] (D)

[1] See footnote (1) on page 33-412

33. [1] (D)

[1] See footnote (1) on page 33-412

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer

33.46.1 General Description

Contract Offer No. 46 – Dedicated Ring Service Offer is an access discount pricing plan that provides the Customer with discounted rates on existing facilities configured as described in Section 33.46.3 (A)(2). Discounted rates will also apply to the purchase of new facilities configured as described in Section 33.46.4. Qualified Services under Contract Offer No. 46 are only available in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 33.46.3(A). Customer must meet eligibility criteria as described in Section 33.46.3. This Contract Offer is available from April 1, 2005 through April 30, 2005. This Contract Offer is not renewable.

33.46.2 Subject Services

Contract Offer No. 46 applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff section:

(1) SONET Ring Access Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.10.

All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to purchase services under Contract Offer No. 46:

(1) Service must be located in the following Pricing Flexibility MSA: San Diego, CA;

(2) The Customer's existing facilities configuration must include one (1) OC-48 7 node ring and 15 channelized subtending 51 Mbps (DS3) facilities;

(3) Customer must purchase one (1) new OC-48 2 Node Dedicated Ring billed as described in Section 33.46.4 (B).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is for five (5) years commencing on the date the Telephone Company receives the completed Letter of Subscription from the Customer. The Term Period for the existing Subject Services, as described in 33.46.3(A)(2), herein, will commence on the effective date of the Term Period of this Contract Offer.

If the Customer elects to continue services at the expiration of the Term Period, the Customer may:

(1) Extend rates, terms and conditions of this Contract Offer for only one additional five (5) year term by written notification to the Telephone Company within 60 days of the expiration of the Term Period; or
(2) Select from the payment options as described in Section 31.5.2.10.

If the Customer does not elect an option as described above at the expiration of the Term Period, Subject Services under this Contract Offer will convert to the prevailing applicable monthly rates found in Section 31.5.2.10.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 46 is only available from April 1, 2005, through April 30, 2005.

(2) Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(3) Contract Offer No. 46 applies only to the facilities contained in the existing facilities configured as described in Section 33.46.3(A)(2).

(4) Customer must purchase one (1) new OC-48 2 Node Dedicated Ring Service configured as follows:
(a) one (1) Customer Premise Node; and
(b) one (1) Central Office (CO) Node; and
(c) one (1) Local Loop Dedicated Ring Fee.

(5) The new OC-48 2 Node Dedicated Ring Service will be billed in OC-12 increments (rates described in Table B herein) as follows:
(a) 1st OC-12 upon the effective date of the Term Period,
(b) 2nd OC-12 effective January 1, 2006,
(c) 3rd OC-12 effective January 1, 2009,
(d) 4th OC-12 effective January 1, 2009.

(6) Customer must subscribe to the Subject Services available under Contract Offer No. 46 in accordance with the regulations set forth in Section 5-Ordering Options for Switched and Special Access Service.

(7) Rate stability under the Term Period applies only to the rates specific to Contract Offer No. 46, as listed in Section 33.46.7.

(8) Purchase of the Subject Services listed above under Contract Offer No. 46 are also subject to certain rates, charges and general terms and conditions in other section of Tariff F.C.C. No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of a tariff change at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract No. 46. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(9) When Customer subscribes to this Contract Offer, the Telephone Company will waive any termination liabilities that would otherwise apply pursuant to Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 33, Contract Offer No. 39.

(10) Customer will not be able to subscribe to or include Subject Services in any future promotional, contract offering, or discount plan in conjunction with this Contract Offer, except as provided for in 33.46.4 (C) herein.

(11) If Customer should discontinue service under Contract Offer No. 46 during the Term Period, termination liability charges will apply in accordance with Section 33.46.8, except as provided for in 33.46.4 (C) herein.

(C) Upgrade Option

Customer may elect to upgrade Subject Services and subscribe to a new Contract Offer for the same Subject Services under this Contract Offer without incurring termination liability, as described in Section 33.46.8, herein. If the Customer chooses to upgrade Subject Services, the Customer must meet the following criteria prior to subscription to the new Contract Offer:

(1) Customer must meet all terms and conditions as set forth in Section 33.46.4, herein; and

(2) Customer must so elect in writing; and

(3) Customer must be upgrading its purchased Subject Services such that the new term period is at least 5 years; and

(4) The upgraded Subject Services must have monthly billing that exceeds the monthly billing of the Subject Services of this Contract Offer.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under Contract Offer No. 46 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.46.6 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.7 Rates and Charges

Customer must pay the Monthly Recurring Charge (MRC) for each rate element listed, as described in Table A and Table B below. Any rate elements not described below will continue to be billed at tariff rates as described in Section 31.5.2.

Table A - Rates for the Existing Facilities as described in Section 33.46.3:

SONET Ring and Access Service Rate Element	Applicable USOC	Contract Rate
OC-48 Dedicated Ring		
per Premise Node	FP5XC	$2,604.00
per CO Node	FH5XC	$2,072.00
Dedicated Ring Fees		
per Alternate Wire Center	FECAX	$980.00
per Local Loop	FECLX	$784.00
per Interoffice	FECFX	$392.00
per Premise Access Port	FP6BX	$84.00
per CO Access Port	FC6YX	$70.00
51 Mbps (DS3) Circuit Service		
CO Node for two point configuration	FC6XB	$120.00
per interoffice mile	1L5XX	$14.00

Table B: Rates for the new OC-48 Dedicated Ring and subtending facilities as described in Section 33.46.4:

Rate Element	Applicable USOC	Contract Rate
per OC-12 increment		$4,153.00
Included Rate elements		
Premise Node (Qty 1)	FP5XC	
Central Office Node (Qty 1)	FH5XC	
Dedicated Ring Fee (Qty 1)	FECLX	
Premise Access Ports (Qty 48)	FP6BX	
CO Access Ports (Qty 48)	FC6YX	
51 Mbps (DS3) Circuit Service		
CO Node for two point configuration	FC6XB	$120.00
per interoffice mile	1L5XX	$13.00

Non Recurring Charges (NRCs) for the new facilities described in Table B will apply. NRCs can be found in Section 31.5.2.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.46 Contract Offering No. 46 – Dedicated Ring Service Offer (Cont'd)

33.46.8 Termination Liability

If Customer terminates Contract Offer No. 46, the termination liability language contained below applies in lieu of termination liability language contained in Section 7.4. Customer must pay to the Telephone Company termination liability charges as described below if the Customer terminates Contract Offer No. 46 before the completion of the Term Period for any reason, or if the Customer is not in compliance with the Terms and Conditions described in Section 33.46.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of billing invoice date. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%).

Example: Customer has $200,000 in Monthly Recurring Charges. If Customer terminates service after thirty-six (36) months and has twenty-four (24) month remaining in a sixty (60) month term period, then termination liability would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Liability (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.47 Contract Offering No. 47 – OC-12 2 Node Ring Service Offer

33.47.1 General Description

Contract Offer No. 47 - OC-12 2 Node Ring Service Offer is an access discount pricing plan that provides the Customer with discounted rates for new facilities configured as described in Section 33.47.3 (B). Qualified services under Contract No. 47 are only available in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 33.47.3 (A). This Contract Offer is available from April 1, 2005 through April 30, 2005. This offer is not renewable.

33.47.2 Subject Services

Contract Offer No. 47 applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) SONET Ring Access Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.10.

All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.47 Contract Offering No. 47 – OC-12 2 Node Ring Service Offer (Cont'd)

33.47.3 Eligibility Criteria

The following eligibility criteria must be met in order to purchase Subject Services under Contract Offer No. 47:

(A) Service must be located in the following Pricing Flexibility MSA: Los Angeles/Long Beach CA;

(B) Customer must purchase one (1) new OC-12 2 Node Ring as described in Section 33.47.4.

33.47.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is for five (5) years commencing on the date the Telephone Company completes the Access Service Request for Subject Services.

If the Customer elects to continue services at the expiration of the Term Period, the Customer may:

(1) Extend rates, terms and conditions of this Contract Offer for one additional two (2) year term by written notification to the Telephone company 60 days prior to the end of the Term Period; or
(2) Select from the payment options as described in Section 31.5.2.10.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services will convert to monthly rates corresponding to the equivalent term just expired, subject to any future rate changes found in Section 31.5.2.10.

Rate stability under the Term Period applies only to the rates specific to Contract Offer No. 47, as listed in Section 33.47.7. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.47 Contract Offering No. 47 – OC-12 2 Node Ring Service Offer (Cont'd)

33.47.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 47 is only available from March 31, 2005, through April 30, 2005.

(2) Customer must purchase one (1) new OC-12 2 Node Ring configured as follows:
(a) One (1) Customer Premise Node; and
(b) One (1) Central Office Node; and
(c) DS3 Access Ports.

(3) Customer must purchase six (6) DS3 subtending circuits by January 1, 2006 as described in 31.5.2.10.

(4) Customer must subscribe to the services available under this Contract Offer No. 47 in accordance with the regulations set forth in Section 5-Ordering Options for Switched and Special Access Service.

(5) Purchase of the Subject Services listed above under Contract offer No. 47 are also subject to certain rates, charges and general terms and conditions in other section of Tariff F.C.C. No. 1 set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of a tariff change at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract No. 47.

(6) Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(7) Customer will not be able to subscribe to or include Subject Services in any future promotional, contract offering, or discount plan in conjunction with this Contract Offer, except as provided for in 33.47.4 (C) herein.

(8) If customer should discontinue service under Contract Offer No. 47 during the Term Period, termination liability charges will apply in accordance with Section 33.47.8.

(9) Customer must pay all Special Construction charges associated with the provisioning of Subject Services. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.47 Contract Offering No. 47 – OC-12 2 Node Ring Service Offer (Cont'd)

33.47.4 Terms and Conditions (Cont'd)

(C) Upgrade Option Available Under this Contract Offer:

Customer may elect to upgrade existing Subject Services and subscribe to a new Contract Offer for the same Subject Services under this Contract Offer without incurring termination liability, as described in Section 33.47.8, herein. If the Customer chooses to upgrade existing Subject Services, the Customer must meet the following criteria prior to subscription to the new Contract Offer:

(1) Customer must meet all terms and conditions as set forth in Section 33.47.4, herein; and

(2) Customer must so elect in writing; and

(3) Customer must be upgrading its purchased Subject Services such that the new term period is at least 5 years; and

(4) The upgraded Subject Services must have monthly billing that exceeds the monthly billing of the Subject Services of this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.47 Contract Offering No. 47 – OC-12 2 Node Ring Service Offer (Cont'd)

33.47.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under Contract Offer No. 47 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.47.6 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.47 Contract Offering No. 47 – OC-12 2 Node Ring Service Offer (Cont'd)

33.47.7 Rates and Charges

Customer must pay the following Monthly Recurring Charge (MRC) for the OC-12 2 Node Ring.

Total Monthly Recurring Charge (MRC): $ 6,900.00

Rate Elements included in MRC	Applicable USOC	Included Qty
Customer Premise Node	FP5XC	1
Central Office Node	FH5XC	1
Local Loop Dedicated Ring Fee	FECLX	1
DS3 Access Ports - Customer Premise Access Port - Central Office Access Port	 FP6BX FC6YX	 12 12

Any rate elements not described herein will continue to be billed at tariff rates as described in Section 31.5.2.10.

Non Recurring Charges (NRC) will apply as described in Section 31.5.2.10.

33.47.8 Termination Liability

If Customer terminates Contract Offer No. 47 before the completion of the Term Period for any reason, the termination liability language contained below applies in lieu of termination liability language contained in Section 31. Customer must pay to the Telephone Company termination liability charges as described below if the Customer terminates Contract Offer No. 47 before the completion of the Term Period for any reason, or if the Customer is not in compliance with the Terms and Conditions described in Section 33.47.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the invoice date. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%).

Example: Customer has $200,000 in Monthly Recurring Charges. If Customer terminates service after thirty-six (36) months and has twenty-four (24) month remaining in a sixty (60) month term period, then the termination liability would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Liability

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.48 Contract Offering No. 48 – DS3 Transport Service Offer

33.48.1 General Description

Contract Offer No. 48 – DS3 Transport Service Offer is an access discount pricing plan that provides the Customer with discounted rates for new facilities configured as described in Section 33.48.4 (B). Qualified services under Contract Offer No. 48 are only available in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 33.48.3 (A). Customer must meet eligibility criteria as described in Section 33.48.3. This Contract Offer is available from April 16, 2005 through May 16, 2005. This offer is not renewable.

33.48.2 Subject Services

Contract Offer No. 48 applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) High Capacity Service - Pacific Bell Telephone Company Tariff F.C.C. No 1, Section 31.5.2.7.

All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.48 Contract Offering No. 48 – DS3 Transport Service Offer (Cont'd)

33.48.3 Eligibility Criteria

The following eligibility criteria must be met in order to purchase Subject Services under Contract Offer No. 48:

(A) Service must be located in the following Pricing Flexibility MSA: San Francisco/Oakland, CA; San Jose, CA;

(B) Customer must purchase a minimum of thirty-eight (38) new DS3 facilities as described in Section 33.48.4 (B).

33.48.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is for five (5) years commencing on the date billing begins. Billing commences no later than 30 days after the Telephone Company's completion the first Access Service Request submitted by the Customer for Subject Services pursuant to this Contract Offer.

If the Customer elects to continue services at the expiration of the Term Period, the Customer may; by written notification to the Telephone Company within 60 days prior to the expiration of the Term Period:

(1) Extend rates, terms and conditions of this Contract Offer for one additional one (1) year term; or
(2) Select from the payment options as described in Section 31.5.2.7.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services will be converted to the prevailing applicable monthly extension rates found in Section 31.5.2.7.

Rate stability under the Term Period applies only to the rates specific to Contract Offer No. 48, as listed in Section 33.48.7. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.48 Contract Offering No. 48 – DS3 Transport Service Offer (Cont'd)

33.48.4 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 48 is only available from April 16, 2005, through May 16, 2005.

(2) Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(3) Customer must purchase a minimum of thirty-eight (38) new DS3 facilities as follows:
(a) Eight (8) new DS3 facilities within 30 days from the date the Telephone Company receives the completed LOS.; and
(b) Remaining new DS3 facilities by January 1, 2006.

(4) DS3 facilities must be configured as follows:
(a) Channel mileage must be at least one (1), but not greater than fifteen (15) miles;
(b) 'A' location must be cross connected to Customer designated facilities; and
(c) 'Z' location must be multiplexed (DS3 to DS1).

(5) Customer must subscribe to the services available under this Contract Offer No. 48 in accordance with the regulations set forth in Section 5-Ordering Options for Switched and Special Access Service.

(6) Purchase of the services listed above under Contract offer No. 48 are also subject to certain rates, charges and general terms and conditions in other sections of Tariff F.C.C. No. 1 set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of a tariff change at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract No. 48.

(7) Customer will not be able to subscribe to or include subject services in any future promotional contract offering, or discount plan in conjunction with this Contract Offer.

(8) If customer should discontinue service under Contract Offer No. 48 during the Term Period, termination liability charges will apply in accordance with Section 33.48.8. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.48 Contract Offering No. 48 – DS3 Transport Service Offer (Cont'd)

33.48.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under Contract Offer No. 48 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.48.6 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.48 Contract Offering No. 48 – DS3 Transport Service Offer (Cont'd)

33.48.7 Rates and Charges

Customer must pay the applicable Monthly Recurring Charges (MRC) for each DS3, where Channel Mileage is within the Channel Mileage Bands listed below.

Channel Mileage Bands	MRC
1-5 (miles)	$425.00
6-10 (miles)	$450.00
11-15 (miles)	$475.00

Rate Elements Included in MRC	Applicable USOC
Channel Mileage (Fixed and Variable)	1L5XX

Any rate elements not described herein will continue to be billed at tariff rates as described in Section 31.5.2.7.

Non Recurring Charges (NRC) will apply as described in Section 31.5.2.7.

33.48.8 Termination Liability

If Customer terminates Contract Offer No. 48 or individual Subject Services included under this Contract Offer, the termination liability language contained below applies in lieu of the termination liability language described in Section 31. Customer must pay to the Telephone Company termination liability charges as described below if Customer terminates this Contract Offer before the completion of the term period for any reason, or if Customer is not in compliance with Terms and Conditions in Section 33.48.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the invoice date.

Customer's termination liability charges for termination of service shall be equal to 50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period, and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%).

Example: Customer has $200,000 in Monthly Recurring Charges. If Customer terminates service after thirty-six (36) months and has twenty-four (24) months remaining in a sixty (60) month term period, then the termination liability would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Liability (N)

(This page filed under Transmittal No. 218)

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 49 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-440

33. [1] (D)

[1] See footnote (1) on page 33-440

33. [1] (D)

[1] See footnote (1) on page 33-440

33. [1] (D)

[1] See footnote (1) on page 33-440

33. [1] (D)

[1] See footnote (1) on page 33-440

33. Pricing Flexibility Contract Offerings

33.50 Contract Offer No. 50 – MVP [1] Service Offer (D)

33.50.1 General Description

Managed Value Plan (MVP) [1] Service Offer (Contract Offer No. 50) permits MVP Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 33.50.4 for the purchase of two (2) new [1], two (2) new OC48 SONET Ring and Access Service (SRAS), the renewal of one (1) [1] and the renewal of one (1) OC-48 SRAS. (D) (D) (D)

33.50.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to purchase Contract Offer No. 50:

(1) Service must be located in Pricing Flexibility MSA: Los Angeles/Long Beach, San Francisco/Oakland and Sacramento, California;
(2) Customer must purchase two (2) new [1] and two (2) new OC-48 SRAS at the rates listed in Section 33.50.4(A)-(B), as applicable, within sixth (60) days of subscribing to Contract Offer No. 50;
(3) Customer must renew an existing [1] at the rates listed in Section 33.50.4(A) and OC-48 SRAS at the rates listed in Section 33.50.4(C)-(D) within sixty days of subscribing to Contract Offer No. 50; and
(4) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(B) Contract Offer No. 50 applies to pricing flexibility qualified access services contained in the following tariff sections:

(1) [1] and (D)
(2) OC-48 SRAS Service – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 31.

(C) Contract Offer No. 50 is only available to Customers who are currently subscribing to MVP, F.C.C. No. 1, Section 22 with a maximum of 12 months remaining on their current MVP agreement term; and

(D) All terms and conditions for the qualified access services listed above are governed by their respective tariff sections except as noted herein.

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 50 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.3 Terms and Conditions

(A) Term Period

The contract term is three (3) years; (Term Period) commencing on the date billing begins. Billing commences for the two (2) new [1], the two (2) new OC-48 SRAS, the one (D) (1) [1] renewal and the one (1) OC-48 renewal no later than (D) 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

[1] Service: If at the expiration of the Term Period for [1] (D) Service the Customer may choose from the payment options as described in Section [1]. If the Customer does not choose to (D) disconnect or select a payment option from Section [1], the (D) Customer will be converted to the monthly extension rates found in Section [1]. (D)

OC-48 SONET Ring and Access Service: At the expiration of the Term Period for OC-48 SRAS the Customer may choose from the payment options as described in Section 7.4.16 and be subject to the prevailing rates in Sections 31.5.2.10. If the Customer does not elect an option, the Telephone Company will convert the Customer to month-to-month payment of the prevailing thirty-six (36) month tariff rates in Section 31.5.2.10.

Rate stability under this contract term applies only to the rates specific to Contract Offer No. 50 as listed in Section 33.50.5. Purchase of the services listed above under Contract Offer No. 50 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 50.

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 50 is only available April 23, 2005 through May 23, 2005;

(2) Customers will pay the discounted rates, as described in Section 33.50.4(A)-(B)for the two (2)new [1], for the renewal of one (1) existing [1] and new OC-48 SRAS installations only; (D) (D)

(3) Customers will pay the discounted rates, as described in Section 33.50.4(C)-(D) for the renewal of a existing OC-48 SRAS only;

(4) Customer must submit a Letter of Subscription (LOS) to the Telephone Company;

(5) If the Customer should discontinue service under Contract Offer No. 50 during the Term Period, termination liability charges will apply in accordance with Section 33.50.6;

(6) Customer must subscribe to the services available under this Contract Offer No. 50 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(7) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(8) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 50, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include but are not limited to reconfiguration of existing [1], shelf rearrangement, [1] moves, [1] provisioning changes and customer premise rearrangements; (D) (D)

(9) The Customer will not be able to subscribe to any other contract offering in Section 22 in conjunction with Contract Offer No. 50 that might be offered by the Telephone Company for services covered under this Contract Offer 50; and

(10) Services under Contract Offer No. 50 will be eligible for discounts under the Managed Value Plan (MVP) offer in Section 22;

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(11) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 50 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding, securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP (1) Service Offer (Cont'd) (D)

33.50.4 Rates and Charges

(A) (1) Service Rates and Charges: (D)
Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2) new (1) and one (1) (1) renewal: (D) (D)

Nonrecurring Charges (NRC):
Customer must pay the Nonrecurring Charges as listed in Section (1) or Section 31, if applicable; and (D)

Monthly Recurring Charge (MRC): (D)

RATE ELEMENTS	USOC	RATES
(1)		
(1)		
(1)		
(1)		
(1)		
(1)		
(1)		
(1)		
(1)		

If a (1) is added after the initial installation of the (1), the new (1) will be co-terminus with the initial Term Period. However, if a (1) is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the (1) MRC for a minimum period of 12 (twelve) months. (D) (D)

(1) See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.4 Rates and Charges (Cont'd)

(B) OC-48 SRAS Rates and Charges:
Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2)new OC-48 SRAS services:

Nonrecurring Charges (NRC):
Customer must pay the Nonrecurring Charges as listed in Section 7 or Section 31, if applicable; and

Monthly Recurring Charge (MRC):

OC-48 SRAS	USOC	MRC
Premise Node (per Node)	FP5XC	$4,680.00
Central office Node (per Node)	FH5XC	$4,005.00
Customer Provided node (per node)	FJ5XC	$810.00
Dedicated Ring fee (per CO Node to CO Node Link)	FECFX	$720.00
Local loop (per CO to Customer Premise Node Link)	FECLX	$1,440.00
Alternate Wire Center (per CO to Premise Node link)	FECAX	$1,890.00
Central office Access per DS3 Port	FC6YX	$157.50
Premise Access per OC12/OC12c Port	FP6TX	$1,530.00
Premise Access per OC3/OC3c Port	FP6TOX	$414.00
Premise Access per DS3 Port	FP6BX	$207.00
Premise Access per DS1 Port	FP6AX	$54.00
Additional Connection per OC48 @ 622 Mbps	FP6EA	$1,485.00
CO access per OC12 Port	FC6ZX	$472.50
CO Access per OC12c Port	FC6TX	$1,530.00
CO Access per (OC3/c-48)	FC6UX	$427.50
CO Access per (OC3/c-12)	FC6VX	$211.50
CO Access per STS 1 Hardwired	FC6WX	$157.50
CO Access per STS1/DS3 Port	FC6YX	$157.50
CO Access per STS1/DS1 Port	FC64X	$585.00
Mileage (per Mile 0-10 Miles)	1L5XX	$ -
Mileage (per Mile over 10 Miles)	1L5XX	$450.00

If a node is added after the initial installation of the OC-48 SRAS, the new node will be co-terminus with the initial Term Period. However, if a node is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the node MRC for a minimum period of 12 (twelve) months.

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.4 Rates and Charges

(C) OC-48 SRAS Renewal Rates and Charges:
Customer shall pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the renewal of the existing OC-48 SRAS service:

Nonrecurring Charges (NRC):
Customer shall pay the Nonrecurring Charges as listed in Section 7 or Section 31, if applicable; and

Monthly Recurring Charge (MRC):
OC-48 SRAS $34,560.00

The OC-48 SRAS MRC includes the following components:

OC-48 SRAS	USOC	MRC
Customer Premise Node	FP5XC	1
Central office Node	FH5XC	4
Dedicated ring Fee	FECFX	3
Local Loop per CO to Customer Premise Node Link	FECLX	1
Alternate Wire Center per CO to Premise Node Link	FECAX	1
Central Office Access per DS3 Port	FC6YX	48
Premise Access per DS3 Port	FP6BX	48
Mileage (per Mile over 10 Miles)	1L5XX	1

[1] See footnote (1) on page 33-446

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.4 Rates and Charges (Cont'd)

(D) OC-48 SRAS Additional Services Rates and Charges: Customer must subscribe to the following additional OC-48 SRAS services at the MRC rates below:

OC-48 SRAS	USOC	MRC
Premise Node (per Node)	FP5XC	$4,680.00
Central office Node (per Node)	FH5XC	$4,005.00
Customer Provided node (per node)	FJ5XC	$810.00
Dedicated Ring fee (per CO Node to CO Node Link)	FECFX	$720.00
Local loop (per CO to Customer Premise Node Link)	FECLX	$1,440.00
Alternate Wire Center (per CO to Premise Node link)	FECAX	$1,890.00
Central office Access per DS3 Port	FC6YX	$157.50
Premise Access per OC12/OC12c Port	FP6TX	$1,530.00
Premise Access per OC3/OC3c Port	FP6TOX	$414.00
Premise Access per DS3 Port	FP6BX	$207.00
Premise Access per DS1 Port	FP6AX	$54.00
Additional Connection per OC48 @ 622 Mbps	FP6EA	$1,485.00
CO access per OC12 Port	FC6ZX	$472.50
CO Access per OC12c Port	FC6TX	$1,530.00
CO Access per (OC3/c-48)	FC6UX	$427.50
CO Access per (OC3/c-12)	FC6VX	$211.50
CO Access per STS 1 Hardwired	FC6WX	$157.50
CO Access per STS1/DS3 Port	FC6YX	$157.50
CO Access per STS1/DS1 Port	FC64X	$585.00
Mileage (per Mile 0-10 Miles)	1L5XX	$ -
Mileage (per Mile over 10 Miles)	1L5XX	$450.00

If a [1] is added after the initial installation of the OC-48 SRAS, the new [1] will be co-terminus with the initial Term Period. However, if a [1] is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the [1] MRC for a minimum period of 12 (twelve) months. (D) (D) (D) (D)

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.5 Rates and Charges

Discounts for MVP Customers Re-establishing their MARC

Current MVP Customers may re-establish their MARC, in accordance with the regulations defined in Section 22 to include billed recurring revenue under this Contract Offer. If the Customer elects to re-establish their MARC, without requesting renewal of its current MVP agreement, the Customer will pay the discounted rates for services under Contract Offer No. 50 as described below for the next billing period following the expiration of the existing MVP Term Period. The rates listed below will remain in effect until the expiration of the Term Period of this Contract Offer:

(A) [1] Service Rates and Charges: (D)

Customer must pay the following Nonrecurring Charges
(NRC) and Monthly Recurring Charge (MRC) for the two(3) (D)
new [1] and one (1) [1] renewal: (D)

Nonrecurring Charges (NRC):
Customer must pay the Nonrecurring Charges as listed in
Section [1] or Section 31, if applicable; and (D)

Monthly Recurring Charge (MRC):

RATE ELEMENTS	USOC	RATES
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

If a [1] is added after the initial installation of the
[1], the new [1] will be co-terminus with the initial Term
Period. However, if a [1] is added during the last 12 (D)
(twelve) months or less of the Term Period, the customer
will be billed the [1] MRC for a minimum period of 12 (D)
(twelve) months.

[1] See footnote (1) on page 33-446

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.5 Rates and Charges (Cont'd)

(B) OC-48 SRAS Rates and Charges:
Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2) new OC-48 SRAS services:

Nonrecurring Charges (NRC):
Customer must pay the Nonrecurring Charges as listed in Section 7 or Section 31, if applicable; and

Monthly Recurring Charge (MRC):

OC-48 SRAS	USOC	MRC
Premise Node (per Node)	FP5XC	$4,305.60
Central office Node (per Node)	FH5XC	$3,684.60
Customer Provided node (per node)	FJ5XC	$745.20
Dedicated Ring fee (per CO Node to CO Node Link)	FECFX	$662.40
Local loop (per CO to Customer Premise Node Link)	FECLX	$1,324.80
Alternate Wire Center (per CO to Premise Node link)	FECAX	$1,738.80
Central office Access per DS3 Port	FC6YX	$144.90
Premise Access per OC12/OC12c Port	FP6TX	$1,407.60
Premise Access per OC3/OC3c Port	FP6TOX	$380.88
Premise Access per DS3 Port	FP6BX	$190.44
Premise Access per DS1 Port	FP6AX	$49.68
Additional Connection per OC48 @ 622 Mbps	FP6EA	$1,366.20
CO access per OC12 Port	FC6ZX	$434.70
CO Access per OC12c Port	FC6TX	$1,407.60
CO Access per (OC3/c-48)	FC6UX	$393.30
CO Access per (OC3/c-12)	FC6VX	$194.58
CO Access per STS 1 Hardwired	FC6WX	$144.90
CO Access per STS1/DS3 Port	FC6YX	$144.90
CO Access per STS1/DS1 Port	FC64X	$538.20
Mileage (per Mile 0-10 Miles)	1L5XX	$ -
Mileage (per Mile over 10 Miles)	1L5XX	$414.00

If a [1] is added after the initial installation of the OC-48 SRAS, the new [1] will be co-terminus with the initial Term Period. However, if a [1] is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the [1] MRC for a minimum period of 12 (twelve) months. (D) (D) (D) (D)

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.5 Rates and Charges

(C) OC-48 SRAS Renewal Rates and Charges:
Customer shall pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the existing OC-48 SRAS renewal service:

Nonrecurring Charges (NRC):
Customer shall pay the Nonrecurring Charges as listed in Section 7 or Section 31, if applicable; and

Monthly Recurring Charge (MRC):
OC-48 SRAS $31,795.20

The OC-48 SRAS MRC includes the following components:

OC-48 SRAS	USOC	Quantity
Customer Premise Node	FP5XC	1
Central office Node	FH5XC	4
Dedicated ring Fee	FECFX	3
Local Loop per CO to Customer Premise Node Link	FECLX	1
Alternate Wire Center per CO to Premise Node Link	FECAX	1
Central Office Access per DS3 Port	FC6YX	48
Premise Access per DS3 Port	FP6BX	48
Mileage (per Mile over 10 Miles)	1L5XX	1

[1] See footnote (1) on page 33-446

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.5 Rates and Charges (Cont'd)

(D) OC-48 SRAS Additional Services Rates and Charges: Customer must subscribe to the following additional OC-48 SRAS services at the MRC rates below:

OC-48 SRAS	USOC	MRC
Premise Node (per Node)	FP5XC	$4,305.60
Central office Node (per Node)	FH5XC	$3,684.60
Customer Provided node (per node)	FJ5XC	$745.20
Dedicated Ring fee (per CO Node to CO Node Link)	FECFX	$662.40
Local loop (per CO to Customer Premise Node Link)	FECLX	$1,324.80
Alternate Wire Center (per CO to Premise Node link)	FECAX	$1,738.80
Central office Access per DS3 Port	FC6YX	$144.90
Premise Access per OC12/OC12c Port	FP6TX	$1,407.60
Premise Access per OC3/OC3c Port	FP6TOX	$380.88
Premise Access per DS3 Port	FP6BX	$190.44
Premise Access per DS1 Port	FP6AX	$49.68
Additional Connection per OC48 @ 622 Mbps	FP6EA	$1,366.20
CO access per OC12 Port	FC6ZX	$434.70
CO Access per OC12c Port	FC6TX	$1,407.60
CO Access per (OC3/c-48)	FC6UX	$393.30
CO Access per (OC3/c-12)	FC6VX	$194.58
CO Access per STS 1 Hardwired	FC6WX	$144.90
CO Access per STS1/DS3 Port	FC6YX	$144.90
CO Access per STS1/DS1 Port	FC64X	$538.20
Mileage (per Mile 0-10 Miles)	1L5XX	$ -
Mileage (per Mile over 10 Miles)	1L5XX	$414.00

If a [1] is added after the initial installation of the [1], (D)
the new [1] will be co-terminus with the initial Term Period. (D)
However, if a [1] is added during the last 12 (twelve) months (D)
or less of the Term Period, the customer will be billed the
[1] MRC for a minimum period of 12 (twelve) months. (D)

[1] See footnote (1) on page 33-446

33. Pricing Flexibility Contract Offering (Cont'd)

33.50 Contract Offer No. 50 – MVP [1] Service Offer (Cont'd) (D)

33.50.6 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 7. If Customer terminates Contract Offer 50 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 7.4.10. Customer's termination liability charges for termination of service shall be equal to:

(A)[1] - 50% of all monthly recurring charges for the balance of the Customer's three (3) year Term Period: (D)

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $200,000 monthly recurring charge terminates service after one (1) year and has twenty-four (24) months remaining in a three (3) year term plan. The termination liability would be calculated as:

$200,000 X 24 X 50% = $2,400,000 termination liability charge.

(B) OC-48 SRAS – Termination of service prior to the end of the first year of the Term Period the customer's termination liability charge will be 75% of the total monthly charges on the unexpired portion of the first year of service. In addition, the customer will be liable for 60% of the second year and 50% of the third year of the total monthly charges for the remaining portion of the Term Period.

Example: Customer disconnecting a OC-48 SRAS with a $50,000 monthly recurring charge, after fourteen months of the thirty-six (36) month Term Period, termination liability charges would be calculated as:

$50,000 X 10 X 60% = $300,000
$50,000 X 12 X 50% = $300,000

$300,000 + $300,000 = $600,000 termination liability charge

[1] See footnote (1) on page 33-446

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 51 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-459

33. [1] (D)

[1] See footnote (1) on page 33-459

33. [1] (D)

[1] See footnote (1) on page 33-459

33. [1] (D)

[1] See footnote (1) on page 33-459

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33. Pricing Flexibility Contract Offerings (N)

33.52 Contract Offer No. 52 – OC-3 SONET Ring Access Service (SRAS) Offer

33.52.1 General Description

OC-3 SONET Ring Access Service (SRAS) Offer is an access discount pricing plan that permits customers located in the Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) listed in Section 33.52.3 to pay the rates in Section 33.52.5 for the purchase of a new OC-3 SRAS. Customers must meet the eligibility criteria described in Section 33.52.3 and comply with the Terms and Conditions as described in Section 33.52.4. Contract Offer No. 52 is available May 20, 2005 through June 20, 2005, and the offer is not renewable.

33.52.2 Services Available under Contract Offer No. 52

Contract Offer No. 52 applies to pricing flexibility qualified access services contained in the following tariff sections:

Pacific Bell OC-3 SRAS – Tariff F.C.C. No. 1, Section 31.5.2.10.

All Terms and conditions for the qualified services listed above are governed by the respective tariff sections except as noted herein.

33.52.3 Eligibility Criteria

The following eligibility criteria must be met in order to receive Contract Offer no. 52:

(A) Service must be a pricing-flexibility-qualified service listed in Section 33.52.2

(B) Service must be located in Pricing Flexibility MSA: Los Angeles/Long Beach, CA

(C) Service must be for new installation orders only.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.52 Contract Offer No. 52 – OC-3 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.52.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years, commencing on the date the service order is completed. Billing for Contract Offer No. 52 commences no later than 30 days after the Telephone Company's completion of the access service order, with the billing begin date to be the same as the service order completion date. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 31 for OC-3 SONET Ring Access Service.

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the Pacific Bell Telephone Company F.C.C. No. 1, Section 31, Subject Services will be converted to the prevailing applicable monthly rates.

Rate stability under Contract Offer No. 52 applies only to the rates specific to this Contract Offer as outlined in Section 33.52.5. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of Pacific Bell telephone Company F.C.C. Tariff No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 52. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.52 Contract Offer No. 52 - OC-3 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.52.4 Terms and Conditions (Cont'd)

(B) Contract Offer No. 52 is only available May 20, 2005 through June 20, 2005.

(C) In order to subscribe to Contract Offer No. 52 a Customer must submit a Letter of Subscription (LOS).

(D) Customer must purchase a new OC-3 SRAS

(E) If the Customer should discontinue service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.52.6.

(F) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(G) If the Customer requests additional service features and functions not included in Section 33.52.2 herein, the Customer will pay the tariff rates for those additions as contained in Section 31-Metropolitian Statistical Area Access Services.

(H) If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 52 pursuant to F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2)if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(i) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.52 Contract Offer No. 52 – OC-3 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.52.5 Rates and Charges

(A) OC3 SRAS Rates and Charges:

Customer must pay the following Monthly Recurring Charge (MRC):

Table A

Rate Element	USOC	QTY	Unit MRC	Total MRC
OC3 (155 Mbps) Dedicated Ring Interoffice Mileage – per mile	1L5XX	59	$80.00	$4720.00
Dedicated Ring Fee				
Interoffice OC3-155 Mbps per C.O. Node to C.O. Node	FECFX	2	$220.00	$440.00
Alt Wire Center -155 Mbps	FECAX	2	$640.00	$1280.00
Dedicated Svc, C.O. Node – OC3 (155 Mbps)	FH5XC	3	$910.00	$2730.00
Local Loop – Access Link w/Eq OC3/OC3c per link	DCHSX	1	$1560.00	$1560.00
C.O. Access Port -DS3 per port	FC6YX	2	$90.00	$180.00
C.O. Multiplexing	MQ3	2	$140.00	$280.00
Total MRC charges				$11,190.00

Customer must pay Non-Recurring charges, if applicable as described in Section 31.5.2.10

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.52 Contract Offer No. 52 – OC-3 SONET Ring Access Service (SRAS) Offer (Cont'd)

33.52.6 Termination Liability

Customer must pay to the Telephone Company termination liability charges as described below if Customer terminates this Contract Offer 52 before the completion of the term period for any reason, or if Customer is not in compliance with Terms and Conditions in Section 33.52.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the invoice date.

Customer's termination liability charges for termination of service shall be equal to 75% for year 1, 60% for year two, 50% for year three, 20% for year four and 15% for year five of all monthly recurring charges for the balance of the Customer's five (5) year Term Period, and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentages shown in example below.)

Example: Customer disconnects Subject Services after fourteen months of the five year Term Period would be charged: 10 months at 60%, 12 months at 50%, 12 months at 20% and 12 months at 15%.

The termination liability charge will be calculated as follows:

$13,000 X 60% X 10 Months = $78,000 (+) $13,000 X 50% X 12 = $78,000 (+) $13,000 X 20% X 12 Months = $31,200 (+) $13,000 X 15% X 12 Months = $23,400 = total termination liability charges of $210,600. (N)

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(N)

33. Pricing Flexibility Contract Offerings

33.53 Contract Offer No. 53 - Special Access OC3/DS1 Package Offer

33.53.1 General Description

Special Access OC3/DS1 Package Offer is an access discount pricing plan that permits Customers located in Phase 1 and Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates listed in Section 33.53.6 for the purchase of DS1 special access transport bandwidth subtending a two (2) node OC-3 SONET Ring and Access Service (hereafter referred to as SRAS). Upon subscription, Customer must purchase one of the Special Access OC-3/DS1 Package options, as described in Section 33.53.3(B)(3), herein. Contract Offer is available for subscription May 28, 2005 through August 31, 2005. This Contract Offer is not renewable.

33.53.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to purchase Contract Offer No. 53:

(1) Service must be located in the following Pricing Flexibility MSAs:

Bakersfield, Fresno, Los Angeles/Long Beach, Modesto, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton, CA.

(2) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(3) DS1 Special Access services purchased under this Contract Offer must have interoffice mileage between zero (0) and ten (10) Miles.

(B) Contract Offer No. 53 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) OC-3 SONET Ring and Access Service (SRAS)- Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7 for Phase 1 MSAs and Section 31 for Phase 2 MSAs;

(2) High Capacity DS1 Service - Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7 for Phase 1 MSAs and Section 31 for Phase 2 MSAs

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

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(N)

33. Pricing Flexibility Contract Offerings

33.53 Contract Offer No. 53 – Special Access OC3/DS1 Package Offer

33.53.3 Terms and Conditions

(A) Term Period

The contract term is five (5) years (hereafter referred to as Term Period), commencing on the date billing begins. Billing commences for the new Special Access OC3/DS1 Package no later than 30 days after the Telephone Company's completion of access service order for Subject Services. This offer is not renewable.

At the expiration of the Term Period, the Customer may select payment options from Section 7 or Section 31. If, at the expiration of the Term Period, the Customer does not select a payment option, the DS1 services will be converted to the month-to-month rates found in Section 7.5.9 or Section 31.5.2.7, and the OC-3 SRAS will be converted to the monthly extension rates found in Section 7.5.13 or Section 31.5.2.10.

Rate stability under this contract term applies only to the rates specific to Contract Offer No. 53 as listed in Section 33.53.6. Purchase of Subject Services listed above under Contract Offer No. 53 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however, such tariff modifications will not change the terms and conditions described in Contract Offer No 53.

(B) Terms and Conditions

(1) This Contract Offer No. 53 is only available May 28, 2005 through August 31, 2005;

(2) Customer must submit a Letter of Subscription (LOS) to the Telephone Company;

(3) Upon subscription, the customer must chose one of the following Special Access OC-3/DS1 Package options:

(a) 2 Node OC-3 SRAS with Seven (7) DS1s; or
(b) 2 Node OC-3 SRAS with Fourteen (14) DS1s; or
(c) 2 Node OC-3 SRAS with Twenty-eight (28) DS1s

(4) The total capacity of the two (2) node OC-3 SRAS must be eighty-four (84) DS1 special access services. The total capacity must not exceed eighty-four (84) DS1 special access services at any time during the Term Period.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.53 Contract Offer No. 53–Special Access OC3/DS1 Package Offer (Cont'd)

33.53.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(5) If the Customer should discontinue service under Contract Offer No. 53 prior to the end of the Term Period, termination liability charges will apply in accordance with Section 33.53.7;

(6) Customer must subscribe to Subject Service available under this Contract Offer No. 53 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(7) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(8) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 53, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(9) Subject Services provided pursuant to this Contract Offer No. 53 shall not be eligible for any other discount, promotion, or contract offer.

(10) Subject Services must have an installation completion date on or before November 30, 2005. Subject Services that have completion dates after November 30, 2005 are not eligible for this Contract. However, services that are assigned completion dates beyond November 30, 2005, as a result of Telephone Company reasons, will be eligible for this Contract.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.53 Contract Offer No. 53–Special Access OC3/DS1 Package Offer (Cont'd)

33.53.3 Terms and Conditions (Cont'd)

(C) Conversion of Existing Services

Existing Special Access DS1 Service, as of the effective date of this Contract Offer, may be eligible for conversion to this Contract Offer No. 53. The existing DS1 Service must not be currently provisioned over a SONET Ring and Access Service. Nonrecurring Rearrangement fees, and any applicable Termination Liability associated with converting the existing DS1 Service to the Contract Offer No. 53, will be waived. The Eligibility Criteria described in Section 33.53.2 will continue to apply for existing DS1 Services converted to this Contract Offer No. 53.

Existing DS1 Service, as of as of the effective date of this Contract Offer that is currently provisioned over a SONET Ring and Access Service, is not eligible for conversion to the Contract Offer No. 53. Existing OC-3 SRAS, as of as of the effective date of this Contract Offer, is not eligible for conversion to this Contract Offer No. 53.

33.53.4 Assignment and Transfer

(A) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 53 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.53 Contract Offer No. 53 – Special Access OC3/DS1 Package Offer (Cont'd)

33.53.4 Assignment and Transfer (Cont'd)

(2) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or

(b) "high risk" in a Paydex score as published by Dun and Bradstreet.

33.53.5 Upgrade Option

During the Term Period, Customer may upgrade the DS1s of the Special Access OC-3/DS1 Package subscribed to under this Contract Offer No. 53 to a higher package offering as shown in Table A below. Termination Liability associated with the termination of original package of DS1s will be waived.

Table A

Package Subscription	Upgrade Package Available
7 DS1s	14 DS1s or 28 DS1s
14 DS1s	28 DS1s
28 DS1s or greater	7 DS1s as described in 33.53.6

All nonrecurring ordering and installation charges, as described in 33.53.6 following, are applicable. The Term Period will remain unchanged.

33.53.6 Rates and Charges

(A) The Customer must pay the following Monthly Recurring Charge (MRC) in Table B.

(B) The MRC in Table B includes the 2 node OC-3 SRAS and Special Access DS1 rate elements and quantities in Table C and Table D.

Monthly Recurring Charge (MRC):

Table B:

OC3/DS1 Package	Rate (Includes DS1s with 0 Miles up to and including 10 Miles)
2 Node OC3 SRAS and 7 DS1s	$2850.00
2 Node OC3 SRAS and 14 DS1s	$3500.00
2 Node OC3 SRAS and 28 DS1s	$4500.00
Each Additional 7 DS1s above 28	$1000.00 per 7 DS1s

(N)

(This page filed under Transmittal No. 229)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.53 Contract Offer No. 53– Special Access OC3/DS1 Package Offer (Cont'd)

33.53.6 Rates and Charges (Cont'd)

Table C:

OC-3 Dedicated Ring	USOC	Quantity
OC-3 Customer Premise Node	FP5XC	1 Node
OC-3 Central Office Node	FH5XC	1 Node
OC-3 Dedicated Ring Fee – Local Loop	FECLX	1 Per Ring
OC-3 DS1 Premise Access Ports (7 DS1s)	FP6AX	7 Ports
OC-3 DS1 Premise Access Ports (14 DS1s)	FP6AX	14 Ports
OC-3 DS1 Premise Access Ports (28 DS1s)	FP6AX	28 Ports
OC-3 STS1/DS1 Central Office Access Ports (Each Additional 7 DS1s)	FC64X	1 Port per 28 DS1s
OC-3 Dedicated Ring Mileage	IL5XX	2 Miles

Table D:

DS1 Special Access	USOC	Quantity
DS1 Channel Mileage Fixed	1L5XX	1 per DS1 circuit the Interoffice Channel Mileage
DS1 Channel Mileage Per Mile	1L5XX	DS1 circuits with Interoffice Channel mileage may have a maximum of 10 Interoffice Channel Miles

(N)

(C) Customer must pay the Non-Recurring charges as listed in Section 7 or Section 31.

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.53 Contract Offer No. 53–Special Access OC3/DS1 Package Offer (Cont'd)

33.53.7 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 7. If Customer terminates Contract Offer No. 53, Special Access OC3/DS1 Package, before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $3,500 monthly recurring charge terminates service after one (1) year and has forty-eight (48) months remaining in a five (5) year term plan. The termination liability would be calculated as:

$3,500 X 48 X 50% = $84,000 termination liability charge.

(N)

33. Pricing Flexibility Contract Offerings

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (D)

33.54.1 General Description

Contract Offer No. 54 – the [1] Plan is a special access discount pricing plan requiring subscription from the Customer under the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No 2, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39. The [1] Plan provides discounted rates (Level II as described below) subject to volume commitments as described in Section 33.54.4 (G). (D) (D)

Services covered under this Contract Offer will be grouped into Levels:

(1) Level I – Qualified existing access services that are already in service prior to the commencement of the Term Period are "Level I" circuits. Level I circuits will be counted toward the Customer's Portability Volume Commitment, as provided in Section 33.54.4 (G) of this Contract Offer, but are not eligible for the discounts provided under this Contract Offer.

(2) Level II – Qualified access services that are installed during the Term Period, or qualified access services that migrate from Level I to Level II as described in section 33.54.5, are "Level II" circuits. Level II circuits will be counted toward the Customer's Portability Volume Commitment and also will be eligible for the discounts provided under this Contract Offer.

Qualified services under this Contract Offer are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 33.54.3 (A). Contract Offer No. 54 is available for subscription from June 1, 2005 through August 1, 2005. This Contract Offer is not renewable.

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 54 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.2 Subject Services

This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in the following tariff sections:

(1) High Capacity Service (DS3), PBTC Tariff F.C.C. No. 1, Section 7.5.9 for Phase 1 MSAs and Section 31.5.2.7 for Phase 2 MSAs;
(2) [1]; (D)
(3) SONET Ring and Access Service(SRAS), PBTC Tariff F.C.C. No. 1 Section 7.5.13 for Phase 1 MSAs and Section 31.5.2.10 for Phase 2 MSAs.

All terms and conditions for the Subject Services provided under this Contract Offer are governed by their respective tariff sections, except as noted herein.

33.54.3 Eligibility Criteria

The following eligibility criteria must be met for Subject Services to be provided under this Contract Offer.

(A) Subject Services must be located in the following Pricing Flexibility MSAs:

San Jose, CA; Fresno, CA; Los Angeles/Long Beach, CA; Oxnard, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA and Stockton, CA

If the Telephone Company receives end-user channel termination pricing flexibility relief in additional MSAs, those MSAs will be added the Broadband Plan, as outlined in Section 33.54.4 (E) of this Contract Offer.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.3 Eligibility Criteria (Cont'd)

(A) Subject Services must be configured as follows:

(1) Subject Services must be a non-channelized point-to-point service; and
(2) Both end points of the circuit must be served by the Telephone Company and be located in an MSA listed in Section 33.54.3 (A) of this Contract Offer; and
(3) Subject Services must be at capacity levels of DS3, [1] or [1]; and (D)
(4) The 'Z' location for each circuit must be an end-user premise that is not a wireless cell site.

(B) The Customer must have a minimum of 1,200 existing Subject Service circuits meeting the configuration requirements described in Section 33.54.3 (B) of this Contract Offer.

(C) With respect to Subject Services provided pursuant to this Contract Offer, the Customer may not subscribe those Subject Services simultaneously to this Contract Offer and the Managed Value Plan (MVP) tariff, as set forth in PBTC Tariff F.C.C. No. 1, Section 22.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions

(A) Term Period

The Term Period for this Contract Offer shall be five (5) years commencing on the first day of the month after the Telephone Company receives a completed Letter of Subscription (LOS).

If the Customer elects to continue service upon the expiration of the Term Period, the Customer may; by written notification to the Telephone Company sixty (60) days prior to the expiration of the Term Period:

(1) Extend rates, terms and conditions of this Contract Offer for one (1) additional two (2) year term; or
(2) Select from the applicable payment options in PBTC Tariff F.C.C. No. 1.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services provided under this Contract Offer will be subsequently be provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1.

(B) Subscription

(1) Contract Offer No. 54 is available only from June 1, 2005 through August 1, 2005.

(2) To subscribe to this Contact Offer the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(3) To subscribe to this Contract Offer the Customer must meet all eligibility criteria as outlined in 33.54.3.

(4) The Customer must also concurrently subscribe to the following contract offers pursuant to the following tariffs:

(a) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 47;
(b) NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 3;
(c) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 15;
(d) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 61.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(A) General

(1) The Customer must subscribe to the services available under this Contract Offer according to the regulations set forth in PBTC Tariff F.C.C. No. 1, Section 5-Ordering Options.

(2) Subject Services provided under this Contract Offer shall also be subject to certain rates, charges and general terms and conditions set forth in PBTC Tariff F.C.C. No. 1, Sections: 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period, however such tariff modifications will not change the terms and conditions described in this Contract Offer.

(3) If the Customer discontinues service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.54.10 of this Contract Offer.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(A) New Subject Services

(1) All of the Customer's new Subject Services that are purchased from the Telephone Company and are eligible for inclusion in this Contract Offer must be provided under this Contract Offer.

(2) The Customer may not include new Subject Services that are provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(3) The Customer must subscribe to all new Subject Services according to the otherwise applicable one (1) year term payment plan.

(4) The Customer must pay all Special Construction charges associated with the provisioning of new Subject Services.

(5) New Subject Services must remain in service under this Contract Offer for at least one (1) year.

(6) New Subject Services installed in the final year of the Term Period of this Contract Offer must remain in service for at least one (1) year. Such Subject Services will continue to be subject to the Rates and Charges outlined in this Contract Offer for the remainder of the one (1) year minimum period. If any such Subject Services do not remain in service for at least one (1) year, they will be subject to Termination Liability as described in Section 33.54.10 of this Contract Offer.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(A) Additional MSA Relief

(1) Upon FCC approval of additional MSAs for pricing flexibility relief for end-user channel terminations, those MSAs will be added to the [1] (D) Plan in TSA_3.

(2) Subject Services that were installed in such additional MSAs prior to the commencement of the Term Period will be included in this Contract Offer as Level I services; subject to existing terms for Migration to Level II as provided in Section 33.54.5.

(3) Subject Services installed, in such additional MSAs, during the Term Period will be included in this Contract Offer as Level II services.

(4) As Subject Services in such additional MSAs are provided under this Contract Offer, the then-current Portability Volume Commitment will be increased to reflect the added Subject Services, based on the in service volumes for qualified Subject Services that are reflected in the recurring billing records from the Telephone Company during the month prior to the MSA being granted pricing flexibility relief.

(B) Access Service Ratio

The Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater. The ratio will be based cumulative billing for DS1 and DS3 services in the MSAs described in Section 33.54.3 (A) of this Contract Offer for the prior six-month period. The Access Service Ratio will be calculated upon the completion of each six-month period beginning upon the commencement of the Term Period as follows:

$$\frac{\text{Access Billing} \quad - \quad \text{Wholesale Billing}}{\text{Access Billing}}$$

Where:

(1) Access Billing consists of the Customer's and its affiliates' interstate recurring billing for DS1 and DS3 rate elements, as defined in PBTC Tariff F.C.C. No. 1, Sections 7.5.9 and 31.5.2.7; and

(2) Wholesale Billing consists of the Customer's and its affiliates' recurring billing for DS1 and DS3 bandwidth equivalent rate elements, as provided in Table A, not included in the interstate tariff(s).

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(F) Access Service Ratio (Cont'd)

Table A:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	4-wire Digital Loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 Non-tariffed Committed Information Rate Broadband Services Unbundled Dedicated Transport
DS3/LT3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 Non-tariffed Committed Information Rate Broadband Services Unbundled Dedicated Transport

(1) If new wholesale rate elements are introduced which are comparable to those set forth in Table A, all recurring billing associated with those new rate elements will also be included in the Customer's Wholesale Billing, as defined in this Section 33.54.4 (F), for purposes of calculating the Customer's Access Service Ratio.

(2) If the Customer does not meet the Access Service Ratio, then the Customer must pay the Telephone Company an amount sufficient to result in the Customer's resulting total Access Billing being equivalent to the amount that would have been billed, had the Customer maintained an Access Service Ratio of 95 percent. If the Customer fails to pay that amount, the Customer shall be deemed to have terminated this Contract Offer.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(F) Portability Volume Commitment (PVC)

Portability is provided under this Contract Offer through the Portability Volume Commitment (PVC). For purposes of determining the Customer's PVC, the Telephone Company shall aggregate volumes for the various Subject Services included in this Contract Offer by converting counts of Telephone Company assigned unique Circuit ID's, by Circuit Type, into PVC Units, as shown below in Table B.

Table B:

Qty	Circuit Type		PVC Units	
1	[1]	=	1	(D)
1	[1]	=	2.5	(D)
1	[1]	=	5	(D)

(1) PVC Level

(a) The initial PVC Level shall be established at the commencement of the Term Period and is based on the in service volumes for Level I Subject Services that are reflected in the recurring billing records of the Telephone Company during the month prior to the commencement of the Term Period.

(b) The PVC Level will be reset after each PVC Attainment Review, as described below in Section 33.54.4 (G) (2) (c).

(c) The PVC Level can not be reduced, except as provided by the PVC Reduction Option described in Section 33.54.4 (G) (5) of this Contract Offer.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(1) PVC Attainment Review

Upon the completion of each six-month period, beginning upon the commencement of the Term Period, the Telephone Company will perform a review (the PVC Attainment Review), to compare the Customer's then-current PVC Measurement to the PVC Floor.

(a) The Telephone Company shall calculate the Customer's PVC Level and PVC Floor as follows:

(i) The PVC Measurement shall be the sum of all Level I and Level II PVC Units that are reflected in the recurring billing records of the Telephone Company for the last month of the period under review.

(ii) The PVC Floor shall be equal to the Customer's then-current PVC Level, multiplied by the PVC Attainment Factor, as provided in Table C:

Table C:

Current PVC Level	**PVC Attainment Factor**
1,200 – 1,800	95%
1,801 – 2,100	92%
2,101 +	90%

(b) The Customer's PVC Measurement, at the time of each six-month review, must equal or exceed the current PVC Floor.

(i) If the PVC Measurement is greater than or equal to the PVC Floor, the Customer shall be deemed to have met the PVC requirement for the six-month period under review.

(ii) If PVC Measurement is lower than the PVC Floor, then the Customer must pay the PVC Attainment Shortfall as described in Section 33.54.4 (G) (3).

(c) Upon completion of the PVC Attainment Review, the PVC Level shall be reset to the PVC Measurement calculated for the period under review, or the existing PVC Level, whichever is greater.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(1) PVC Attainment Shortfall Payment

The PVC Attainment Shortfall Payment shall be calculated as follows:

(a) The PVC Unit Shortfall shall be calculated according to the following equation: (PVC Level x 95%) - PVC Measurement = PVC Unit Shortfall.

(b) The PVC Attainment Shortfall Payment shall be calculated by multiplying the PVC Unit Shortfall by $9,600.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(1) PVC Attainment Review Example

At month 6:
PVC Level = 1,500. PVC Measurement = 1,800. PVC Measurement exceeds PVC Floor of 1,425, thus commitment is met and new PVC Level is reset to 1,800.

At month 12:
PVC Level = 1,800. PVC Measurement = 1,750. PVC Measurement exceeds PVC Floor of 1,710, thus commitment is met and PVC Level remains 1,800.

At month 18:
PVC Level = 1,800. PVC Measurement 18 = 1,700. PVC Measurement is below PVC Floor of 1,710, thus commitment is not met. Customer must pay PVC Attainment Shortfall and PVC Level remains = 1,800.

Month 18 PVC Attainment Shortfall calculation:
Step 1 – (PVC Level x 95%) - PVC Measurement = PVC Unit Shortfall
[(1,800 x 95%) – 1,700] = 10
Step 2 - PVC Unit Shortfall x $9,600 = PVC Attainment Shortfall Payment
10 x $9,600 = $96,000

Table D: PVC Attainment Review Example

Completed Contract Month	PVC Level	PVC Floor	PVC Measure-ment	PVC Attainment Review	PVC Unit Shortfall	PVC Attainment Shortfall
6	1,500	1,425	1,800	met	0	n/a
12	1,800	1,710	1,750	met	0	n/a
18	1,800	1,710	1,700		10	$96,000

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

(D)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd)

33.54.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(1) PVC Reduction Option

Annually, upon each anniversary of the commencement of the Term Period, the Customer shall be permitted to reduce its PVC Level, as outlined herein:

(a) The PVC Reduction Option is available only if the Customer has met the PVC requirements of this Contract Offer during the previous six-month period, as provided in Section 33.54.4 (G) (2) (b) of this Contract Offer, either by meeting the PVC Attainment Review criteria or by making the PVC Attainment Shortfall Payment.

(b) The PVC Reduction Option lowers Customer's PVC Level; however, the Customer's PVC Level remains subject to increase through the PVC Attainment Review process as provided in Section 33.54.4 (G) (2) of this Contract Offer.

(c) The Customer must notify the Telephone Company, in writing, within sixty (60) days following the anniversary of the commencement of the Term Period, of its decision to reduce the PVC Level, to be effective during the year of the Term Period in which notice is provided. The Customer shall include in its notice a PVC Reduction Amount, which shall be the amount of the reduction the customer has chosen, expressed in PVC Units.

(d) A PVC Reduction Charge shall be calculated by multiplying the PVC Reduction Amount by $1,600, then multiplying that amount by the PVC Term Factor, as provided in Table E:

Table E:

	PVC Term Factor
Completion of Year 1	24
Completion of Year 2	18
Completion of Year 3	12
Completion of Year 4	6

Example: PVC Reduction
Customer requests a PVC Reduction of 10 PVC Units upon the completion of Year 2. PVC Reduction Charge is calculated as follows:

Requested PVC Reduction x $1,600 x PVC Term Factor = PVC Reduction Charge
10 x $1,600 x 18 = $288,000

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.5 Migration of Subject Services from Level I to Level II

Eligible Level I circuits may migrate to Level II of this Contract Offer. Migration from Level I to Level II may occur either automatically under defined circumstances (Type I Migration) or at the option of the Customer (Type II Migration), as further provided below. Upon migration, migrated circuits shall be subject to TSA_3 Rates and Charges, as provided in Section 33.54.7 of this Contract Offer.

(A) Migration Eligibility

Level I circuits must meet the following qualifications to deemed eligible to migrate to Level II.

(1) Level I circuits eligible for migration cannot be included in a promotional tariff or contract offering of any kind.

(2) Level I circuits shall continue to be subject to the rates, terms and conditions of the otherwise applicable tariffs, including any otherwise applicable term payment plans. Upon expiration of existing term payment plans for Level I circuits the Customer must select one of the following options for the circuits to remain eligible for Level II status:

(a) Circuits may be provided according to Monthly Extension Rates; or
(b) Circuits may be renewed for terms equal to the existing terms; or
(c) Circuits may be renewed for terms shorter than the existing terms.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.5 Migration of Subject Services from Level I to Level II (Cont'd)

(A) Rank Ordered Migration List

(1) Upon completion of each PVC Attainment Review, the Telephone Company will provide the Customer a Rank Ordered Migration List of eligible Level I circuits. Type I and Type II Migration to Level II will be based on this list. To be included on the Rank Ordered Migration List, circuits must remain eligible for migration, as provided Section 33.54.5 (A) of this Contract Offer.

(2) Level I circuits eligible for migration will be included in the Rank Ordered Migration List. The first criterion for the rank ordering shall be the service term applicable to each circuit (Expired Plans, 1 yr, 2 yr, 3yr, 4 yr and 5 yr respectively). The second criterion for the rank ordering shall be oldest Service Establishment Date. Both the service term and Service Establishment Date shall be determined according to the end-user termination rate element in the Telephone Company's billing records.

(B) Type I Migration

Type I Migration shall occur automatically if, upon any PVC Attainment Review, the PVC Measurement exceeds the PVC Level. For each PVC Unit by which the PVC Measurement exceeds the PVC Level, one PVC Unit shall be migrated from Level I to Level II. The order of migration shall be determined according to the Rank Ordered Migration List. TSA_3 pricing shall apply to all circuits subject to Type I Migration, effective on the first day of the subsequent PVC Attainment Review Period.

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.5 Migration of Subject Services from Level I to Level II (Cont'd)

(A) Type II Migration

Type II Migration shall be permitted at the Customer's option, as provided in this Section 33.54.5 (D)

(1) The Customer must submit a written request to the Telephone Company meeting the following requirements:

(a) The Customer's request must be received by the Telephone Company within sixty (60) days after the completion of the last day of the six-month PVC Attainment Review Period; and
(b) The request must include the specific number of PVC Units to be migrated.

(2) The order of migration shall be determined according to the Rank Ordered Migration List.

(3) TSA_3 pricing will apply to all circuits subject to Type II Migration, effective on the date the Telephone Company receives the Customer's written request.

(4) A one-time migration charge will apply, as provided in Table F:

Table F: One-Time Migration Charge per PVC Unit

	Migration Charge *(per PVC Attainment Review Period)*							
Cumulative Net Adds	12	18	24	30	36	42	48	54
0 - 75	$10,595							
76 - 125	$8,965							
126 - 200	$7,335							
201 - 300	$5,705							
301 - 425	$4,075							
426 - 575	$2,445							
576 - 725	$815							
726 +	$0							
Less than 400			*Not Eligible for Type II*					
Greater than 400			$2,445		$1,630		$815	

[1] See footnote (1) on page 33-476

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.6 Termination Liability Credits for Renewed Level I Circuits

If the customer renews a Level I circuit as provided in Section 33.54.5 (A) (2) and that circuit is subsequently disconnected before the completion of its renewal term, the Telephone Company will credit the Customer 50% of the otherwise applicable Termination Liability charges billed to the Customer if the following requirements are met:

(A) The original term plan for the disconnected circuit must expire after the commencement of the Term Period of this Contract Offer; and
(B) The Customer must renew the Level I circuit as provided in Section 33.54.5 (A); and
(C) The renewed Level I circuit must be disconnected before the completion of the first year of the Term Period of this Contract Offer; and
(D) The Customer must pay all billed Termination Liability charges by their applicable due date.

Upon validation of compliance with the eligibility criteria, the Telephone Company will process a billing credit each quarter to the Customer.

[1] See footnote (1) on page 33-476

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.7 Rates and Charges

(A) Target Service Areas (TSA)

Eligible MSAs have been grouped into TSA_1, TSA_2 or TSA_3 for purpose of applying the Rates and Charges as described in this section of the Contract Offer.

TSA_1
Los Angeles/Long Beach, CA San Francisco/Oakland, CA
TSA_2
Oxnard/Ventura, CA Sacramento, CA San Diego, CA San Jose, CA
TSA_3
Fresno, CA Santa Rosa, CA Stockton, CA

[1] See footnote (1) on page 33-476

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.7 Rates and Charges (Cont'd)

(A) Monthly Recurring Charge (MRC)

The Customer must pay the applicable MRC for each rate element listed below. Any rate elements not described below will continue to be billed at the applicable tariff rates as described in PBTC Tariff F.C.C. No. 1.

Rate Element	Applicable USOC	TSA_1	TSA_2	TSA_3
High Capacity Service DS3				
Channel Termination - Zone 1	Z3MAC	$931.20	$950.60	$970.00
Channel Termination - Zone 2	Z3MAC	$950.40	$970.20	$990.00
Channel Termination - Zone 3	Z3MAC	$969.60	$989.80	$1,010.00
Channel Termination - Zone 1	Z3MAP	$931.20	$950.60	$970.00
Channel Termination - Zone 2	Z3MAP	$950.40	$970.20	$990.00
Channel Termination - Zone 3	Z3MAP	$969.60	$989.80	$1,010.00
Channel Termination - Zone 1	ZOMAC	$960.00	$980.00	$1,000.00
Channel Termination - Zone 2	ZOMAC	$1,056.00	$1,078.00	$1,100.00
Channel Termination - Zone 3	ZOMAC	$1,104.00	$1,127.00	$1,150.00
Mileage Fixed – Zone 1	1L5XX	$368.00	$384.00	$400.00
Mileage Fixed – Zone 2	1L5XX	$377.20	$393.60	$410.00
Mileage Fixed – Zone 3	1L5XX	$400.20	$417.60	$435.00
Mileage Variable – Zone 1	1L5XX	$16.10	$16.80	$17.50
Mileage Variable – Zone 2	1L5XX	$18.40	$19.20	$20.00
Mileage Variable – Zone 3	1L5XX	$20.70	$21.60	$22.50
[1]				
Local Distribution Channel	TMECS	$1,196.00	$1,248.00	$1,300.00
Mileage Fixed	1L5XX	$762.00	$824.00	$886.00
Mileage Variable – per mile	1L5XX	$189.20	$204.60	$220.00
[1]				
Local Distribution Channel	TMECS	$2,880.00	$2,940.00	$3,000.00
Mileage Fixed	1L5XX	$2,115.00	$2,182.50	$2,250.00
Mileage Variable – per mile	1L5XX	$206.80	$213.40	$220.00
[1]				
[1]				
[1]				
[1]				
[1]				

[1] See footnote (1) on page 33-476

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.7 Rates and Charges (Cont'd)

(A) Nonrecurring Charges (NRC)

The Customer must pay the applicable NRC for installation and rearrangement as listed below. Any NRC not listed below will continue to be billed at the applicable tariff rates as described in PBTC Tariff F.C.C. No. 1.

Description	Applicable USOC	NRC
DS3 Service		
Channel Termination	Z3MAC	$0.00
Channel Termination	Z3MAP	$0.00
Channel Termination	Z0MAC	$0.00

[1] See footnote (1) on page 33-476

33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.54.9 Mergers/Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger of acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

[1] See footnote (1) on page 33-476

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.54 Contract Offer No. 54 – [1] Plan - Service Offer (Cont'd) (D)

33.54.10 Termination Liability

If Customer terminates this Contract Offer the termination liability language contained below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1. Customer must pay to the Telephone Company termination liability charges as described below if Customer terminates this Contract Offer before the completion of the term period for any reason, or if Customer is not in compliance with Terms and Conditions in Section 33.54.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the billing invoice date.

Customer's termination liability charges for termination of this Contract Offer shall be equal to a complete reduction of the Portability Volume Commitment as outlined in 33.54.4 (G) (5). The PVC Term Factor shall be based on the longest fully completed year under this Contract Offer at termination.

Upon termination of this Contract Offer, all Subject Services provided under this Contract Offer will subsequently be provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1.

If the Customer disconnects a Subject Service provided under this Contract Offer prior to the completion of the one (1) year minimum in service requirement, then the following termination liability charges will apply:

75% of all recurring charges for the balance of the one (1) year term period plus the current applicable NRC charge for a service installed under a one (1) year term payment plan less the NRC charge paid at installation of Subject Service.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in order to achieve one (1) year in service) multiplied by (Termination liability percentage of 75%) plus current applicable NRC minus NRC charges already paid.

Example: Customer has $20,000 in Monthly Recurring Charges for a Subject Service provided under this Contract Offer. The customer paid an NRC of $550 at installation and the current applicable NRC equals $750. If Customer terminates service after six (6) months and has six (6) months remaining in order to meet the one (1) year minimum time in service, the termination liability would be calculated as:

($20,000 X 6 months X 75%) + ($750 - $550) = $90,250

[1] See footnote (1) on page 33-476

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.55 Contract Offering No. 55 – OC-48 3 Node Ring Service Offer

33.55.1 General Description

Contract Offer No. 55 – OC-48 3 Node Ring Service Offer is an access discount pricing plan that provides the Customer with discounted rates for new facilities configured as described in Section 33.55.4 (D). Qualified services under Contract No. 55 are only available in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 33.55.3 (A). This Contract Offer is available from June 1, 2005 through July 1, 2005. This offer is not renewable.

33.55.2 Subject Services

This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services) as provided in the following tariff sections:

(1) SONET Ring Access Service - Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 31.5.2.10.

All terms and conditions for the Subject Services provided under this Contract Offer are governed by their respective tariff sections, except as noted herein.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.55 Contract Offering No. 55 – OC-48 3 Node Ring Service Offer (Cont'd)

33.55.3 Eligibility Criteria

The following eligibility criteria must be met for Subject Services to be provided under this Contract Offer:

(A) Subject Services must be located in the following Pricing Flexibility MSA: Sacramento, CA

(B) The Customer must purchase one (1) new OC-48 3 Node Ring as described in Section 33.55.4 (D).

33.55.4 Terms and Conditions

(A) Term Period

The Term Period for this Contract Offer shall be five (5) years commencing on the date the Telephone Company completes the Access Service Request for the new Subject Services.

If the Customer elects to continue services upon the expiration of the Term Period, the Customer may; by written notification to the Telephone Company sixty (60) days prior to the expiration of the Term Period:

(1) Extend rates, terms and conditions of this Contract Offer for one (1) additional two (2) year term; or
(2) Select from the applicable payment options in PBTC Tariff F.C.C. No. 1.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services provided under this Contract Offer will be subsequently provided under the prevailing applicable rates corresponding to the shortest available term as found in PBTC Tariff F.C.C No. 1.

(B) Subscription

(1) Contract Offer No. 55 is only available from June 1, 2005, through July 1, 2005.

(2) To subscribe to this Contract Offer the Customer must meet all the eligibility criteria outlined in 33.55.3 and submit a Letter of Subscription (LOS) to the Telephone Company. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.55 Contract Offering No. 55 – OC-48 3 Node Ring Service Offer (Cont'd)

33.55.4 Terms and Conditions (Cont'd)

(A) General

(1) The Customer must subscribe to the services available under this Contract Offer in accordance with the regulations set forth in PBTC Tariff F.C.C. No. 1, Section 5-Ordering Options.

(2) The Subject Services provided under this Contract offer shall also be subject to certain rates, charges and general terms and conditions set forth in PBTC Tariff F.C.C. No. 1, Sections: 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of a tariff change at any time during the Term Period, however such tariff modifications will not change the terms and conditions described in this Contract Offer.

(3) If the Customer discontinues service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.55.8.

(4) The Customer may not include Subject Services, provided under this Contract Offer, in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(B) New Subject Services

(1) The Customer must purchase one (1) new OC-48 3 Node Ring initially configured as follows upon subscription to this Contract Offer:

(a) Two (2) Customer Premise Nodes; and
(b) One (1) Central Office Node; and
(c) Twenty-four (24) DS3 Access Ports; and
(d) Four (4) OC-12 Access Ports.

The Customer must pay all Special Construction charges associated with the provisioning of new Subject Services.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.55 Contract Offering No. 55 – OC-48 3 Node Ring Service Offer (Cont'd)

33.55.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, (e.g. Standard and Poor's) but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.55.6 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger of acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.55 Contract Offering No. 55 – OC-48 3 Node Ring Service Offer (Cont'd)

33.55.7 Rates and Charges

The Customer must pay the following Monthly Recurring Charge (MRC) for the OC-48 3 Node Ring as initially configured.

Total Monthly Recurring Charge (MRC): $ 22,312.50

Rate Elements included in MRC	Applicable USOC	Included Qty
Customer Premise Node	FP5XC	2
Central Office Node	FH5XC	1
Dedicated Ring Fees		
Interoffice 2.4 Gbps	FECFX	1
Local Loop 2.4 Gbps	FECLX	2
Premise Access Ports		
OC-12/OC-12c	FP6TX	4
DS3	FP6BX	16
Central Office Access Ports		
DS3	FC6YX	8

The Customer must pay the following additional Monthly Recurring Charges (MRC) for each additional DS3 Access Port that is subsequently added to the OC-48 3 Node Ring provided under this Contract Offer.

Additional DS3 Access Ports (MRC):

Rate Elements	Applicable USOC	MRC
Premise Access Port	FP6BX	$127.50
Central Office Access Port	FC6YX	$106.25

Any rate elements not described herein will continue to be billed at tariff rates as described in PBTC Tariff F.C.C. No. 1, Section 31.5.2.10.

Non Recurring Charges (NRC) will apply as described in PBTC Tariff F.C.C. No. 1, Section 31.5.2.10 for services subscribed to a 5 year term plan. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.55 Contract Offering No. 55 – OC-48 3 Node Ring Service Offer (Cont'd)

33.55.8 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in PBTC Tariff F.C.C. No. 1. If the Customer terminates this Contract Offer before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the Terms and Conditions in Section 33.55.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the invoice date. The Customer's termination liability charges for termination of service shall be equal to 50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%).

Example: Customer has $200,000 in Monthly Recurring Charges. If Customer terminates service after thirty-six (36) months and has twenty-four (24) month remaining in a sixty (60) month term period, then the termination liability would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Liability (N)

33. Pricing Flexibility Contract Offerings

33.56 Contract Offer No. 56 – Special Access Service Offer

33.56.1 General Description

Special Access Service Offer (Contract Offer No. 56) is an access discount pricing plan for which subscription is required in the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company Tariff F.C.C. No. 1, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, and The Southern New England Telephone Company Tariff F.C.C. No. 39. Contract Offer No. 56 is available to any Customer with at least $26.5 million in cumulative annual recurring revenue for Contributory Services as defined herein. Customer must meet the Eligibility Criteria set forth in Section 33.56.2, and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 56 requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period as defined in Section 33.56.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services as described in Section 33.56.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): [1], [1], [1] and the following InterLATA services: DS0, DS1, DS3, [1], [1], [1], and [1]. Contributory Services that are Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any [1], [1] or InterLATA Contributory Services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the website established to make public any agreements for these services. Customers may reference:
https://primeaccess.att.com (T)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 33.56.4(D). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all Terms and Conditions of this Contract Offer (exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 33.56.9, shall apply. Contract Offer No. 56 will only be available June 2, 2005 through July 2, 2005.

[1] Material previously contained in this section has been deleted. ATM, Frame Relay, DSRS, GigaMAN, MON, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 56 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria in order to subscribe to Contract Offer No. 56, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(1) Contract Offer No. 56 is available for services located in the following pricing flexibility Metropolitan Statistical Areas(MSAs):

Bakersfield, Fresno, Los Angeles/Long Beach, Modesto, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton, CA.

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 33.56.4. (N)

(2) The Customer's first and second year MARC shall be $26.5 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech Operating Companies (Ameritech), Pacific Bell Telephone Company, Southwestern Bell Telephone Company, and The Southern New England Telephone Company. Other Contributory Services may be provided by other SBC companies. (Nx)

(3) Customer cannot subscribe to Contract Offer No. 56 concurrently with SBC's MVP Offering in Section 22 (N)

(4) The Customer must maintain an Access Service Ratio, equal to or greater than 98%. The Access Service Ratio is defined in Section 33.56.3(E) and will be measured quarterly. (N)

(x) Issued under Authority of Special Permission No. 05-026 of F.C.C.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.2 Eligibility Criteria (Cont'd)

(B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 56 pursuant to the following tariffs:

(1) The Ameritech Operating Company Tariff F.C.C. No. 2, Section 22, Contract Offer No. 64.
(2) Southwestern Bell Telephone Company Tariff F.C.C. No. 73, Section 41, Contract Offer No. 48.
(3) Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 16

(C) Contributory Subject Services

Contract Offer No. 56 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

(1) VG/DS0 Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Sections 7.5.3 for Phase I MSAs, and Sections 31.5.2.3 for Phase II MSAs;
(2) DS1/DS3 Service – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.5.9, for Phase I MSAs and Section 31.5.2.7 for Phase II MSAs;
(3) [1] – Pacific Bell Telephone Company Tariff (D)
F.C.C. No. 1, Section [1] for Phase I MSAs and (D)
Section [1] for Phase II MSAs; (D)
(4) OC3/OC12/OC48/[1] – Pacific Bell Telephone (D)
Company Tariff F.C.C. No. 1, Section 7.5.13
and [1] for Phase I MSAs, and Section 31.5.2.10 (D)
and [1] for Phase II MSAs. (D)
(5) [1] – Pacific Bell Telephone Company Tariff (D)
F.C.C. No. 1, Section [1] for Phase I MSAs and (D)
Section [1] for Phase II MSAs. (D)
(6) [1] – Pacific Bell Telephone Company Tariff (D)
F.C.C. No. 1, Section [1] for Phase I MSAs and (D)
Section [1] for Phase II MSAs. (D)

[1] See footnote (1) on page 33-504.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.2 Eligibility Criteria (Cont'd)

(C) Contributory Subject Services (Cont'd)

All Terms and Conditions for the Contributory Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 33.56.4. Only the Contributory Subject Services listed above are eligible for the discounts provided under this Contract Offer. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer, beginning with the first year after the additional services become eligible for pricing flexibility, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 33.56.4.

33.56.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 56 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the terms and conditions set forth herein, must be converted to five (5) year term payment plans (where available), in order to receive discounts pursuant to this Contract Offer. If the five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select from the longest term plan available for the Contributory Subject Service. The Customer may select from

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.3 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

any year term payment plan for purchases of new Contributory Subject Services after the commencement of the Term Period of this Contract Offer. Services are subject to certain rates, charges, and general Terms and Conditions in other sections of F.C.C. Tariff No. 1, as set forth in Sections 2-General Regulations, 5Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such Terms and Conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Offer No. 56 is only available for subscription June 2, 2005 through July 2, 2005.

(C) Customer must submit a completed LOS to the Telephone Company.

(D) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in Southern New England Telephone Company Tariff F.C.C. No. 1 Section 5 – Ordering Options.

(E) Access Service Ratio

As referenced in Section 33.56.2(A)(4), the Customer and its subsidiaries must maintain an Access Service Ratio of 98% or greater. The Customer shall not migrate any Contributory Services to or from any affiliates in a manner that would affect its obligations under this provision. The ratio, calculated quarterly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 98%. The 98% ratio is calculated as follows:

Access Revenue
Access Revenue + Wholesale Revenue (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

(1) Access Revenue is the Customer's and its affiliates' interstate recurring billed revenue associated with the rate elements, as defined in table A below:

TABLE A:

Service	General/Basic Description	
Voice Grade	7.2.3	
Base Rate (DS0), DS1 and DS3 Services	7.2.9	
[1]	[1]	(D)
[1]	[1]	(D)
[1]	7.2.11(A)(2)	
[1]	[1]	(D)

(2) Wholesale Revenue is the Customer's and its subsidiaries' recurring billed revenue for associated rate elements, as defined in Table B, not included in the interstate tariff(s).

[1] See footnote (1) on page 33-504

33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

TABLE B:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3/LT3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service** (Z)
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

(3) As new rate elements are introduced to Table A in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

(4) As new rate elements are introduced to Table B in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Wholesale Revenue, as defined in this section, for calculation of the Access Service Ratio.

(5) If the Customer fails to meet the Access Service Ratio in any given quarter of the term, upon notification from the Telephone Company, the Customer has ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 98% Access Services Ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and the Telephone Company shall have the right to terminate this Contract Offer, unless the Customer has acted in good faith to achieve compliance and the Customer's failure to achieve compliance within sixty days is caused by delay attributable to the Telephone Company. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 33.56.9.

(6) Credits will not be issued until the Customer has met the 98% Access Services Ratio.

(F) The Customer may not subscribe to any future Contract Offerings in Section 33 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer unless expressly permitted in the future Contract Offer.

(G) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under Section 2.4 of FCC Tariff No. 1 before exercising any remedy under this section. The Telephone Company will provide Customer written notice (via registered letter to Customer's General Counsel) of non-compliance. The Customer will have thirty (30) days from receipt (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.3 Terms and Conditions (Cont'd)

(G) (Cont'd)

of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period, or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 33.56.9 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.4.

(H) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

33.56.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

The Customer must establish and maintain a MARC as provided in this Contract Offer. The MARC for the first and second year of the Term Period (Years 1 and 2) will be established when the Telephone Company receives the LOS from the Customer. For purposes of calculating the MARC for Year 1, recurring annual revenue for all Contributory Services shall be included in the calculation based on the rates that would apply to the Contributory Subject Services for a five-year minimum term, regardless of whether the Subject Services were actually purchased pursuant to a five-year term at the time of the Customer's subscription to this Contract Offer. Recurring annual revenue for Contributory (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Calculation of the MARC (Cont'd)

Services that are not Contributory Subject Services shall be included in the calculation based on the actual rates applicable to those Contributory Services at the time of calculation.

The Customer's MARC for Year 1 shall be $26.5 Million or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater. The Customer's Year 2 MARC will be equal to the Year 1 MARC.

The MARC will be re-established, effective on the Anniversary Date, beginning on the second anniversary (the beginning of Year 3). The MARC for Year 3 and subsequent years will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 1:
The Contract Tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $8M. The new Year 3 MARC, effective May 1, 2007, is $32M ($8M multiplied by 4 equals $32M).

Example 2:
The Contract Tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $6M. The new Year 3 MARC, effective May 1, 2007, is $26.5M. (The $26.5M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC). (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Calculation of the MARC (Cont'd)

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not listed in Section 33.56.2, or if additional Contributory Subject Services that are not listed in Section 33.56.2 become eligible for pricing flexibility, the additional MSAs or Contributory Subject Services may be included, at the Customer's option, in this Contract Offer, beginning with the first year after the additional MSAs or Contributory Subject Services became eligible for pricing flexibility. Upon Customer's written notification to the Telephone Company of their intent to exercise this option, the Telephone Company will recalculate the MARC to incorporate the recurring annual revenues from those MSAs or Subject Services and will include those revenues in the calculations described herein.

(B) Inclusion of Additional Contributory Services

Not withstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company as of the date the Customer subscribes to this Contract Offer, but which are then being provided to the Customer according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 33.56.4. If any additional Contributory Services are ATM, Frame Relay or InterLATA services, those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site:
https://primeaccess.att.com (T)

Example

Year 1 MARC = $26.5M If during Year 1, the Customer wishes to include$2M of annual spend currently purchased from the Telephone Company under another tariff or contract and if those services qualify as Contributory Services, then, the new Year 1 MARC is $28.5M.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) MARC Adjustments

(1) The Customer shall have the right to adjust the MARC downward by up to 10%. This adjustment can only be made one time during the Term Period at anytime after the first 24 months of the Term Period (beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date.

(2) The MARC adjustment shall apply prospectively only. If Customer exercises this option, reduced discounts (as specified in Table D Section 33.56.5 (B)) will apply for the remainder of the Term Period, and certain provisions of the Contract Offer will no longer apply as provided in Section 33.56.5 (B). Also, if the Customer exercises this option, any MARC adjustments associated with SLA penalties offered in Section 33.56.5 shall not apply for the remaining years of the Term Period. If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 33.56.7, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated provided the Eligibility Criteria in Section 33.56.2 and Terms and Conditions in Section 33.56.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 33.56.5(B).

(3) The MARC will be adjusted automatically pursuant to SLA measurement guidelines specified in Section 33.56.5, unless the MARC adjustment option discussed in Section 33.56.4(C)(1) is exercised.

(D) Failure to Achieve the MARC

The Customer and the Telephone Company agree to exchange information quarterly, and meet quarterly, if necessary, to review Customer's progress toward achieving the MARC for the term (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(D) Failure to Achieve the MARC (Cont'd)

year and the Telephone Company's progress on SLA targets. The Customer and the Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date.

If the Customer fails to achieve the annual MARC commitment as of the Anniversary Date of each year of the Term Period, the Customer will be notified by the Telephone Company.

The Customer must remit an Annual True-Up payment, the amount of which will be calculated as the difference between the annual MARC for the current term year and the actual recurring annual revenue for the Contributory Services during that term year.

If the Telephone Company does not receive the Annual True-Up amount within 30 days of the Customer's receipt of its notification, the Customer shall be deemed to have terminated this Contract Offer and termination liability charges will apply as set forth in Section 33.56.9.

33.56.5 Discounts and Other Credits

(A) Discount Schedule and Application

(1) Table C contains the level of discounts for this Contract Offer.
TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	0%	0%
2	5%	5%
3	10%	10%
4	11%	11%
5	12%	12%

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

(1) (Cont'd)

Example for Year 2:

Customer's MARC = $26.5M
Customer's annual recurring revenues for Contributory Services = $32M
Customer's annual recurring revenues for Subject Services = $30M
Customer will receive a 5% discount on $30M (issued annually in accordance with subsection (2).

(2) The Customer will receive the 0%, 5%, 10%,11%, or 12% discount (depending on the year outlined in Table C) on annual recurring revenues for Contributory Subject Services, provided that the Customer meets or exceeds the MARC. The discount will be applied no later than 60 days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer unless, and until, those Contributory Subject Services have been added to this Contract Offer pursuant to Section 33.56.2, Section 33.56.4 Section 33.56.7 or Section 33.56.8.

(B) MARC Adjustments - Discount Schedule and Application

Table D outlines discounts that the Customer will be eligible to receive following a MARC adjustment option pursuant to Section 33.56.4 (C)

TABLE D

	MARC Discount	Above MARC Discount, if available
MARC Adjustment	Year 3 – 4% Year 4 – 5% Year 5 – 6%	Year 3 – 4% Year 4 – 5% Year 5 – 6%

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(B) MARC Adjustments - Discount Schedule and Application (Cont'd)

Following a MARC adjustment, above the MARC discounts are available only if, during any year, the MARC for that year is equal to or greater than the MARC in effect immediately prior to the adjustment.

Example
The Customer's Year 3 MARC is $30M (calculated as revenue from the last quarter in Year 2 x 4). On the Anniversary Date at the beginning of Year 4, the Customer's Year 3 annual recurring revenue for Contributory Services is $25M. The Customer elects to invoke the MARC adjustment option and adjust the MARC downward by 10%. The Customer's Year 4 recalculated MARC is therefore $27M = ($30M x 90%). The Customer must make an Annual True-Up payment for Year 3 in the amount of $5M. If the Customer fails to make the True-Up payment, the Customer will be in default and termination liabilities will apply. Under this scenario, the Customer will not become eligible for the above the MARC discounts provided in table D, above, until the Customer's MARC in a subsequent year equals or exceeds $30M.

(C) Non-Recurring Charges

The Telephone Company will waive installation Non-recurring charges (NRCs) associated with the purchase of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

In order to receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 33.56.4 (A) and/or fails to pay the Annual True-Up as defined in Section 33.56.4 (D), termination liability charges will apply as set forth in Section 33.56.9. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(C) Non-Recurring Charges (Cont'd)

The Customer must pay all other applicable non-recurring charges, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in Pacific Bell Telephone Company F.C.C. No. 1, Section 5.2 for Subject Services pursuant to this Contract Offer.

(D) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) The Customer must be in compliance with all terms and conditions of this Contract Offer.

(2) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 33.56.2(B).

(3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.

(4) DS3, [1] and [1] Services must have been in service for a minimum of one (1) year from the original installation date. (D)

(5) [1], [1] and [1] Services must have been in service for a minimum of three (3) years from the original installation date. (D)

(6) If, and to the extent that [1] becomes eligible for pricing flexibility, [1] may, at the Customer's option, become a (D) (D)

[1] See footnote (1) on page 33-504

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56. Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(6) (Cont'd)

Contributory Subject Service included in this Contract Offer. If so, such [1] service shall be eligible for portability, provided that for each [1] circuit to be ported: (D) (D)

(a) facilities necessary to provide [1], as specified in F.C.C. No. 1, Section 35, exist at the end user location in which the circuit is being moved; and (D)
(b) the circuit has been in service for a minimum of one (1) year from the original installation date.

If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 33.56.4 (A) and/or fails to pay the Annual True-Up as defined in Section 33.56.4(D), termination liability charges will apply as set forth in Section 33.56.9.

(E) Service Level Assurance (SLA) Performance

Customer will be eligible for additional credits and/or MARC adjustments based upon the quality of service delivered by the Telephone Company during the Term Period of this Contract Offer. Pursuant to this Contract Offer, SLA credits and MARC adjustments will apply in the event the Telephone Company's SLA service performance level objectives are not met.

SLA performance targets are established for a twelve (12) month interval commencing with the subscription date of this Contract Offer.

The service performance targets will be based on the following four (4) measured service components:

(1) Percent Network Availability: The percent of the time all DS1, DS3 and [1] circuits are in service compared to the total expected availability during the reporting period factoring in both failure frequency and time to repair. (D)

[1] See footnote (1) on page 33-504

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56. Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(E) Service Level Assurance (SLA) Performance (Cont'd)

(2) Mean Time To Repair (MTTR) of DS1 circuits: The average time it takes the Telephone Company to repair all of the Customer's DS1 circuits during the reporting period.

(3) Mean Time To Repair (MTTR) of DS3 and [1] circuits: The average time it takes the Telephone Company to repair all of the Customer's DS3 and [1] circuits during the reporting period. (D) (D)

(4) On Time Delivery – Due Date: Calculated by dividing the number of Customer requests for new service and rearrangements of existing service that were missed for Telephone Company reasons by the total number of new service requests and rearrangements of existing service completed during the reporting period. The date used to determine whether or not the service request was missed is the service confirmation date provided on the Firm Order Confirmation (FOC). This measurement will apply to all of the Customer's DS1, DS3 and [1] services. (D)

Table E outlines the SLA performance targets for each measured service in each contract year.

Table E

Measured Service	Year 1 Target	Year 2 Target	Year 3 Target	Year 4 Target	Year 5 Target	
% Network Availability (DS1-[1])	99.93%	99.96%	99.96%	99.99%	99.99%	(D)
MTTR (DS1 only)	4:45	4:30	4:30	4:15	4:15	
MTTR (DS3 & [1])	3:15	3:15	3:00	3:00	3:00	(D)
On Time Delivery – Due Date (DS1-[1])	96.00%	96.50%	96.500%	97.00%	97.00%	(D)

[1] See footnote (1) on page 33-504

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties

At the conclusion of each Anniversary Date, the 12-month averages based on the Telephone Company's provided results for each measured service will be compared to its corresponding target in Table E. For each measurement that is not achieved by the Telephone Company, the Customer will be eligible to receive credits as outlined in subsection (1) and MARC adjustments as outlined in subsection (2).

(1) The Customer will be eligible for the following credit amounts, as set forth in Table F. For each measurement that is not achieved by the Telephone Company after each Anniversary Date, credits will be paid into a Telephone Company account held on the Customer's behalf.

Immediately following the Customer's subscription to this Contract Offer, the Telephone Company will establish a holding account with an initial balance of $300,000. The initial balance of the holding account represents the total, aggregate amount that the Customer will be eligible to receive across the regions identified in Section 33.56.2(B) of this Contract Offer. The credit account will be applied for the purpose of improving service delivery and performance. The Customer and Telephone Company will cooperate in good faith to identify and plan appropriate service and/or service performance projects, which shall be planned and completed as Special Construction. The Telephone Company will follow the Special Construction guidelines provided in F.C.C. Tariff No. 2 for work performed pursuant to this provision, including standard time and materials rates, and shall be subject to any applicable additional charges for expediting or overtime. Work performed pursuant to this provision shall be credited to a designated BAN of the Customer's choice. The amount will be deducted from the SLA credit holding account. After the first Anniversary Date, the Telephone Company will annually add to (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont')

(1) (Cont'd)

the holding account the credit amount due to the Customer for each SLA measurement not met.

The Customer and the Telephone Company will work together to create a project schedule designed to ensure that projects are completed by the Telephone Company prior to the end of each term year.

The initial balance must be used within the first 12 months following the receipt of a signed LOS. Any amount remaining from the initial balance will not be allowed to carry over to Year 2 and will be forfeited. Any credit due to the Customer at the end of term Year 5, will be available to the Customer in the holding account for the 12-month period subsequent to the end of the Term Period. Annual SLA performance credits must be used within the year after the credits were issued, and cannot be rolled over into the following year. Any amounts left over, after the year following the issuance of the credits, will be forfeited, provided, however, that projects on the project schedule that are not completed at the end of the term year can be completed in the subsequent year and any allocated amounts associated with that project shall not be debited from the following year's holding account balance. If the Telephone Company fails to complete an agreed upon project on the project schedule at any time during the Term Period, the amount allocated for that project shall be carried over until the agreed upon project has been completed. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(1) (Cont'd)

Table F

Service Quality Measure	Annual Credit if SLA Target not Met	
% Network Availability (DS1-[1])	$100,000	(D)
MTTR (DS1 only)	$100,000	
MTTR (DS3 & [1])	$100,000	(D)
On Time Delivery – Due Date (DS1-[1])	$100,000	(D)

The credits in Table F are the total, aggregate amounts that the Customer will be eligible to receive across the five regions identified in Section 33.56.2.B of this Contract Offer.

(2) The Customer will be eligible for the following MARC adjustments in Table G for each measurement that is not achieved by the Telephone Company at each Anniversary Date. However, if the Customer exercises the MARC adjustment option specified in Section 33.56.4, the MARC adjustments in Table G will not apply in the year that the MARC adjustment option is exercised and for the remaining years of the contract.

[1] See footnote (1) on page 33-504.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(2) (Cont'd)

Table G

Service Quality Measure	Year in which Adjustment Applies	MARC Adjustment	
% Network Availability (DS1-[1])	2	Decrease ½ %	(D)
MTTR (DS1 only)	2	Decrease ½ %	(D)
MTTR (DS3 & [1])	2	Decrease ½ %	(D)
On Time Delivery – Due Date (DS1-[1])	2	Decrease ½ %	
% Network Availability (DS1-[1])	3, 4 or 5	Decrease 1%	(D)
MTTR (DS1 only)	3, 4, or 5	Decrease 1%	
MTTR (DS3 & [1])	3, 4, or 5	Decrease 1%	(D)
On Time Delivery – Due Date (DS1-[1])	3, 4, or 5	Decrease 1%	(D)

Example:
The percent decrease will be applied to the recalculated annual MARC. For example, the Customer's Year 4 MARC is set for $33M [(previous 3 months billing at end of Year 3) X 4]. The Telephone Company achieved 1 out of the 4 measurements in Year 3. The Year 4 MARC is then recalculated and set at $32.01M ($33M X 97%).

[1] See footnote (1) on page 33-504

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.6 Assignment and Transfer

Subject to the provisions set forth in section 33.56.7 regarding mergers and acquisitions, if the Customer wishes to assign or transfer its use of services under this Contract Offer No. 56, pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent company are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.56.7 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 56 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

the other company involved in the merger or acquisition also purchases Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 33.56.4 (A), or calculations to achieve the MARC discussed in Section 33.56.4 (B) or in the calculation of the Access Service Ratio discussed in Section 33.56.3(E), except as permitted by one of the provisions in this subsection.

(1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 33.56.2 and 33.56.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have four options (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. Customer may elect only one of those options with respect to any particular merger or acquisition. If the Customer does not exercise any of those options in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Achieve the MARC discussed in Section 33.56.4(A) & (B), nor will such revenues be eligible for any discounts provided under this Contract Offer, nor will Telephone Company apply existing or future Special Access or Wholesale Service revenues from the other company or companies in calculating the Access Service Ratio in Section 33.56.3(E). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

(4) The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(5) If the Customer has selected, but not yet fully implemented, one of the options provided herein, the MARC, and any MARC adjustment calculation as provided in Section 33.56.4, will apply only to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition.

(6) The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

(7) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 33.56.5(A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 33.56.5(A)(2), for recurring annual revenue above the new combined MARC. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 - Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio

(1) If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company, and inclusion of the recurring revenue from Contributory Services from the other company or companies involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 33.56.3 (E), the Customer must select from Option 1 or 2 of this Section 33.56.7(B), below, to incorporate any recurring annual revenues from the other company involved in the merger or acquisition into this Contract Offer.

(2) The Customer must fully conform to Access Service Ratio within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule provided in Table H below. As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Access Services Ratio, as provided in Section 33.56.3(E), MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 33.56.3(E).

(3) If, at any time the Customer does not comply with the Access Conversion Schedule provided in Table H below, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will then have 60 days to comply with the Access Conversion Schedule. If the Customer does not comply within 60 days, this Contract Offer shall be deemed to be in default, and the Telephone Company shall have the right to terminate this (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

Contract Offer. Upon such termination, termination liability charges will apply as provided in Section 33.56.9. Notwithstanding the foregoing, if Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply, the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 33.56.3(E), and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply.

Table H outlines the Unbundled Network Element (UNE) to Access conversion schedule that will be used to migrate the services.

Table H: Access Conversion Schedule

90 Day Period	Required Conversion Level
1st	10%
2nd	20%
3rd	50%
4th	75%
5th	85%
6th	100%

(a) Option 1

The Customer shall establish a temporary combined MARC by adding to the Customer's then current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition, for a period not to exceed 18 months from the Transaction Close Date. Recurring annual revenue for Contributory (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

(a) Option 1 (Cont'd)

(i) (Cont'd)

Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(ii) The Customer must exercise this option within 60 days following the Transaction Close Date.

(iii) This option is not available in Year 5 of the Term Period.

(iv) A permanent combined MARC will be established no later than 18 months following the Transaction Close Date using the following calculation, based on a calculation of the Customer's combined recurring annual revenue.

a) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 33.56.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd

(3) (Cont'd)

(a) Option 1 (Cont'd)

(iv) (Cont'd)

(a) (Cont'd)

Contract Offer shall be applied to the combined company, in the same manner as would otherwise apply under this Contract Offer.

(b) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 33.56.7(C)(1)(a).

(b) Option 2

(i) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(ii) The Customer must exercise this option within 60 days following the Transaction Close Date.

(iii) This option is not available in Year 5 of the Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C) Mergers and Acquisitions not Affecting Access Service Ratio

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company, and inclusion of recurring revenue from Subject Services from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 33.56.3 (E), the Customer must select from Option 3 or 4 of this Section 33.56.7(C), to incorporate into this Contract Offer any recurring annual revenues from the other company involved in the merger or acquisition.

(1) Option 3

(a) The Customer must establish a temporary combined MARC by adding at least 85%, but no more than 100% (at Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition, for a period not to exceed 12 months from the Transaction Close Date. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

(b) The Customer must exercise this option within 60 days following the acquisition Transaction Close Date.

(c) This option is not available during Year 5 of the Term Period.

(d) A permanent combined MARC will be established no later than 12 months following the Transaction Close Date, based on a calculation of the Customer's combined recurring annual revenue. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(1) Option 3 (Cont'd)

(d) (Cont'd)

(i) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 33.56.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this Contract Offer shall be applied to the combined company, in the same manner as would otherwise apply under this Contract Offer.

(ii) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 33.56.7(C)(1)(a).

(2) Option 4

(a) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(2) Option 4 (Cont'd)

(b) The Customer must exercise this option within 60 days following the Transaction Close Date.

(c) This option is not available in Year 5 of the Term Period.

33.56.8 Merger or Acquisition Involving the Telephone Company

In the event that the Telephone Company, or the corporate parent of the Telephone Company, or any affiliate of the Telephone Company or its corporate parent, in whole or in part, merges with, acquires, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition), and the Customer purchases special access services from the other company, then the following terms and conditions will apply:

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition, and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.8 Merger or Acquisition Involving the Telephone Company (Cont'd)

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 33.56.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above.

33.56.9 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Sections 7, [(1)], [(1)] (D)
and [(1)]. If the Customer terminates Contract (D)
Offer No. 56 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 33.56.2, or fails to meet any of the Terms and Conditions in Section 33.56.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer

[(1)] See footnote (1) on page 33-504

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.9 Termination Liability (Cont'd)

(A) Termination Liability Charges (Cont'd)

No. 56, and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Sections 7, [1], [1] and (D)
[1]. (D)

The Customer's termination liability charge shall be equal to the following:

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 56 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10.0% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.

(2) If terminated in Year 2 , 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.

(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.

(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5.

(5) If terminated in Year 5, 10.0% of the Year 5 MARC for the remaining portion of Year 5.

(B) New Technology Termination

If the Customer wishes to move its services to new alternative technology (such as Broadband over power lines, Wi-MAX, DWDM, or optical switching technologies), the Customer shall qualify to reduce the MARC termination liability charges as detailed above by 50% in Year 4 and/or 5 of this Contract Offer as long as the conditions in this subsection are met.

[1] See footnote (1) on page 33-504.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.9 Termination Liability (Cont'd)

(B) New Technology Termination (Cont'd)

The Customer shall have the right to move its services to new alternative technology and receive reduced termination liability as long as Eligibility Criteria in Section 33.56.2 and all Terms and Conditions in Section 33.56.3 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services, and that the rates, terms and conditions for the new technology are more favorable to the Customer than the rates, terms and conditions provided under this Contract Offering.

For example, if the Customer wishes to terminate this Contract Offer due to a new technology in Year 4 of the Contract Offer, the termination liability charge would be equal to 100% of discounts applied during the previous six-months, as well as 6.25% of the Year 4 MARC for the remaining portion of Year 4, plus 6.25% of the Year 4 MARC for Year 5.

The Customer must notify the Telephone Company in writing at least 90 days prior to the start of Year 4 if the Customer wishes to terminate in Year 4 and invoke this provision, or at least 90days prior to the start of Year 5 if the Customer wishes to terminate in Year 5 and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer. Additionally, this provision is only available to the Customer if it has not exercised the 10% MARC adjustment option as detailed in Section 33.56.4 (C).

(C) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer without incurring termination liability (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.56 Contract Offer No. 56 – Special Access Service Offer (Cont'd)

33.56.9 Termination Liability (Cont'd)

(C) New Special Access Service Offerings (Cont'd)

under this Contract Offer, provided, however, that the Customer's contract offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(D) This Section 33.56.9 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 56, except for charges due and payable for Contributory Services rendered prior to the date of termination and any nonrecurring charges and/or termination liability charges that may become due and payable in accordance with Sections 33.56.9. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings

33.57 Contract Offer No. 57 – OC-48 SONET Ring and Access Service (SRAS) Offer

33.57.1 General Description

OC-48 SONET Ring and Access Service (SRAS) Offer (Contract Offer No. 57) is an access discount offer that permits Customers located in the Fresno Metropolitan Statistical Area, to purchase one OC-48 SONET Ring and Access Service (SRAS) at the rates listed in Section 33.57.4.

Contract Offer No. 57 is only available June 4, 2005 through July 4 2005.

33.57.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to subscribe to the OC-48 SONET Ring and Access Service (SRAS) Offer:

(1) Contract Offer No. 57 is only available for circuits located in the following Metropolitan Statistical Area:

Pricing Flexibility MSA: Fresno, CA

(2) Customer must be a current MVP Customer as described in Tariff F.C.C. No. 1, Section 22, upon subscription to this Contract Offer.

(B) OC-48 SONET Ring and Access Service (SRAS) Offer applies to pricing-flexibility-qualified access services contained in the following tariff section:

SONET Ring and Access Service (SRAS)– Pacific Bell Telephone Company Tariff F.C.C. No 1.

Rate Regulation	Phase I Rates and Charges	Phase II Rates and Charges
7.4.16	7.5.13	31.5.2.10

All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.57 Contract Offer No. 57 – OC-48 SONET Ring and Access Service (SRAS) Offer (Cont'd)

33.57.3 Terms and Conditions

(A) Term Period

The Contract Term Period is five (5) years commencing on the date billing begins. Billing commences no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

If, at the expiration of the Customer's Contract Term Period, the Customer elects to continue service, the Customer shall select from payment options in Section 7.5.13 for Phase I services and Section 31.5.2.10 for Phase II services depending on the MSA relief in effect at the time of expiration. If the Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 7 and/or Section 31 depending on the MSA relief in effect at the time of expiration.

Purchase of the services listed above under this Contract Offer are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options for Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, installation and rearrangement charges in Section 31 for OC-48 services, and such terms and conditions may be modified through the filing of tariff revisions at any time during the Contract Term Period; however, such tariff modifications will not change the terms and conditions described in this Contract Offer.

(B) Contract Offer No. 57 is only available June 4, 2005 through July 4, 2005.

(C) In order to subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Contract Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(E) If the Customer should discontinue service under this Contract Offer during the Contract Term Period, Termination Liability Charges will apply in accordance with Section 33.57.5. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.57 Contract Offer No. 57 – OC-48 SONET Ring and Access Service (SRAS) Offer (Cont'd)

33.57.3 Terms and Conditions (Cont'd)

(F) If the Customer requests additional service features and functions not included in 33.57.4, the Customer will pay the tariff rates for those additions as contained in Section 7 and/or Section 31-Metropolitian Statistical Area Access Services.

(G) The OC48 SONET Ring and Access Service must be a new purchase.

(H) The Customer is eligible to purchase only one (1) new OC-48 SONET Ring and Access Service at the rates specified in Section 33.57.4.

(I) This Contract Offer cannot be combined with any other promotional or contract offer but may be combined with Managed Value Plan (MVP) discounts described in Section 22. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.57 Contract Offer No. 57 – OC-48 SONET Ring and Access Service (SRAS) Offer (Cont'd)

33.57.3 Terms and Conditions (Cont'd)

(J) If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2)if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(i) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(ii) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

- "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or
- "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.57 Contract Offer No. 57 – OC-48 SONET Ring and Access Service (SRAS) Offer (Cont'd)

33.57.4 Rates and Charges

OC-48 SONET Ring and Access Service Rates and Charges:

Customer shall pay a flat Monthly Recurring Charge (MRC) of: **$13,895**

The MRC includes the following rate elements:

Rate Element	USOC	Quantity
Local Loop Dedicated Ring Fee	FECLX	1
Central Office Node	FH5XC	1
Central Office Access Ports (OC3/c-48)	FC6UX	4
Central Office Access Ports (DS3)	FC6YX	24
Premises Node	FP5XC	1
Premises Access Ports (OC3/OC3c)	FP6OX	4
Premises Access Ports (DS3)	FP6BX	24

Non-recurring charges may apply and are not included in the monthly recurring charge noted above. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.57 Contract Offer No. 57 – OC-48 SONET Ring and Access Service (SRAS) Offer (Cont'd)

33.57.5 Termination Liability

If the Customer terminates this Contract Offer before the completion of the Contract Term Period for any reason, the Customer will pay The Telephone Company termination liability charges as described below. Termination liability charges will also apply if the customer is not in compliance with the Eligibility Criteria in Section 33.57.2 (A)(1) and (B) or the Terms and Conditions in Section 33.57.3. These termination liability charges shall become due as of the effective date of the termination of service, are payable as described below, and are in lieu of termination liability charges described in Section 32.2 (I). The Customer's termination liability charges for termination of service shall be equal to:

50% of all recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $15,000 monthly recurring rate terminates service after thirty months and has thirty months remaining in a five (5) year term plan. The termination liability would be calculated as:

$15,000 X 30 X 50% = $225,000 termination liability charge. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings

33.58 Contract Offer No. 58 – OC-48 SONET Ring and Access Service (SRAS) Renewal Offer

33.58.1 General Description

OC-48 SONET Ring and Access Service (SRAS) Offer (Contract Offer No. 58) is an access discount offer that permits Customers located in the Oakland Metropolitan Statistical Area, to renew one OC-48 SONET Ring and Access Service (SRAS) at the rates listed in Section 33.58.4.

Contract Offer No. 58 is only available June 4, 2005 through July 4, 2005.

33.58.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to subscribe to the OC-48 SONET Ring and Access Service (SRAS) Renewal Offer:

(1) Contract Offer No. 58 is only available for circuits located in the following Metropolitan Statistical Area:

Pricing Flexibility MSA: Oakland, CA

(2) Customer must subscribe to the Managed Value Plan (MVP) at the time of subscription to this Contract Offer.

(B) OC-48 SONET Ring and Access Service (SRAS) Offer applies to pricing-flexibility-qualified access services contained in the following tariff section:

SONET Ring and Access Service (SRAS)– Pacific Bell Telephone Company Tariff F.C.C. No 1.

Rate Regulation	**Phase I Rates and Charges**	**Phase II Rates and Charges**
7.4.16	7.5.13	31.5.2.10

All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.58 Contract Offer No. 58 – OC-48 SONET Ring and Access Service (SRAS) Renewal Offer (Cont'd)

33.58.2 Eligibility Criteria (Cont'd)

(C) The Customer must renew an existing OC48 SONET Ring and Access service currently installed on the Telephone Company's network and the service must have completed its existing service term period.

33.58.3 Terms and Conditions

(A) Term Period

The Contract Term Period is three (3) years commencing on the date billing begins. Billing commences no later than 30 days after the Telephone's completion of the access service order. This offer is not renewable.

If, at the expiration of the Customer's Contract Term Period, Customer elects to continue service, Customer shall select from payment options in Section 7.5.13 for Phase I services and Section 31.5.2.10 for Phase II services depending on the MSA relief in effect at the time of expiration. If the Customer does not elect an option, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 7 and/or Section 31 depending on the MSA relief in effect at the time of expiration.

Purchase of the services listed above under this Contract Offer are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options for Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, installation and rearrangement charges in Section 31 for OC-48 services, and such terms and conditions may be modified through the filing of tariff revisions at any time during the Contract Term Period; however, such tariff modifications will not change the terms and conditions described in this Contract Offer.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.58 Contract Offer No. 58 – OC-48 SONET Ring and Access Service (SRAS) Renewal Offer (Cont'd)

33.58.3 Terms and Conditions (Cont'd)

(B) Contract Offer No. 58 is only available June 4, 2005 through July 4, 2005.

(C) In order to subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Contract Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(E) If the Customer should discontinue service under this Contract Offer during the Contract Term Period, Termination Liability Charges will apply in accordance with Section 33.58.5.

(F) If the Customer requests additional service features and functions not included in 33.58.4, the Customer will pay the tariff rates for those additions as contained in Section 7 and/or Section 31-Metropolitian Statistical Area Access Services.

(G) The OC48 SONET Ring and Access Services must be a renewal and must have completed the existing service term period.

(H) The Customer is eligible to renew only one (1) OC-48 SONET Ring and Access Service at the rates specified in Section 33.58.4.

(I) This Contract Offer cannot be combined with any other promotional or contract offer but may be combined with Managed Value Plan (MVP) discounts described in Section 22. (N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.58 Contract Offer No. 58 – OC-48 SONET Ring and Access Service (SRAS) Renewal Offer (Cont'd)

33.58.3 Terms and Conditions (Cont'd)

(J) If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2)if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(i) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(ii) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

- "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or
- "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.58 Contract Offer No. 58 – OC-48 SONET Ring and Access Service (SRAS) Renewal Offer (Cont'd)

33.58.4 Rates and Charges

OC-48 SONET Ring and Access Service Rates and Charges:

Customer shall pay a flat Monthly Recurring Charge (MRC) of: **$17,448**

The MRC includes the following rate elements:

Rate Element	**USOC**	**Quantity**
Premises Access Port (OC12)	FP6TX	1
Premises Access Port (OC3)	FP6OX	4
Dedicated Ring Fee (Local Loop)	FECLX	1
Premises Node	FP5XC	1
Premises Access Port (DS3)	FP6BX	24
Central Office Access Port (OC12/OC12c)	FC6TX	1
Central Office Access Port (OC3/c – 48)	FC6UX	4
Central Office Access Port (DS3)	FC6YX	24
Central Office Node	FH5XC	1

Non-recurring charges may apply and are not included in the monthly recurring charge noted above.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.58 Contract Offer No. 58 – OC-48 SONET Ring and Access Service (SRAS) Renewal Offer (Cont'd)

33.58.5 Termination Liability

If the Customer terminates this Contract Offer before the completion of the Contract Term Period for any reason, the Customer will pay The Telephone Company termination liability charges as described below. Termination liability charges will also apply if the customer is not in compliance with the Eligibility Criteria in Section 33.58.2 (A) (1) and (B) or the Terms and Conditions in Section 33.58.3. These termination liability charges shall become due as of the effective date of the termination of service, are payable as described below, and are in lieu of termination liability charges described in Section 32.2 (I). The Customer's termination liability charges for termination of service shall be equal to:

50% of all recurring charges for the balance of the Customer's three (3) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring rate terminates service after thirty months and has six (6) months remaining in a three (3) year term plan. The termination liability would be calculated as:

$20,000 X 6 X 50% = $60,000 termination liability charge. (N)

(N)

33. Pricing Flexibility Contract Offering

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term

33.59.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DS0 multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.59.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(A) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.59.2 Contract Terms

(A) Contract Offering No. 59 is available during the purchase period which begins June 8, 2005 and ends December 8, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 59.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 59 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.59.2 Contract Terms (Cont'd)

(C) The initial contract term for Contract Offering No. 59 is one year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(D) At the conclusion of the initial contract term, Contract Offering No. 59 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 59 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 59 upon thirty days written notice any time following the completion of the initial contract term.

(E) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(F) No other discount pricing plans apply.

(G) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 59.

(H) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 59 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.59.2(L). The termination charge for Contract Offering No. 59 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(I) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 59 terminated and the termination charges described in 33.59.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.59.3(B). (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.59.2 Contract Terms (Cont'd)

(C) The customer may elect to discontinue Contract Offering No. 59 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.59.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 59 was provided,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 59, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 59.

(D) Contract Offering No. 59 is not available as a Fiber Advantage DS1 service.

A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 59 terminated. If Contract Offering No. 59 is terminated during the initial contract term, the termination charges described in 33.59.2(J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.59.2 Contract Terms (Cont'd)

(C) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(D) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.59.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.15(B) and the Service Rearrangement Charge reflected in 33.59.3(B) applies.

33.59.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.59 Contract Offering No. 59 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.59.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term

33.60.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.60.1 General Description (Cont'd)

(B)(Cont'd)

(1)Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(2)Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(3)Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.60.2 Contract Terms

(A) Contract Offering No. 60 is available during the purchase period which begins June 8, 2005 and ends December 8, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 60.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 60 is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.60.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 60 is two years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 60 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 60 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 60 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 60.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 60 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.60.2(L). The termination charge for Contract Offering No. 60 is fifty percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 60 terminated and the termination charges described in 33.60.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one half of the nonrecurring charge to install service as reflected in 33.60.2(B).

(N)

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.60.2 Contract Terms (Cont'd)

(L) The customer may elect to discontinue Contract Offering No. 60 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.60.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 60 was provided,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 60, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 60.

(M) Contract Offering No. 60 is not available as a Fiber Advantage DS1 service.

A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 60 terminated. If Contract Offering No. 60 is terminated during the initial contract term, the termination charges described in 33.60.2(J) apply.

(N)

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.60.2 Contract Terms (Cont'd)

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.60.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.60.3(B) applies.

33.60.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.60 Contract Offering No. 60 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.60.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(1) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service – Three Year Term

33.61.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(A) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four. A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

(N)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.61.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(2) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(3) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(A) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA.

(N)

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.61.2 Contract Terms

(A) Contract Offering No. 61 is available during the purchase period which begins June 8, 2005 and ends December 8, 2005.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 61.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6, for Contract Offering No. 61 is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(1) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.61.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 61 is three years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 61 will be automatically renewed for successive one month renewal terms. The customer may terminate Contract Offering No. 61 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty days before the initial contract term expires. The customer or the Telephone Company may terminate Contract Offering No. 61 upon thirty days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 61.

(J) If the customer discontinues AA+ Transport Service purchased under Contract Offering No. 61 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.61.2(L). The termination charge for Contract Offering No. 61 is fifty percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.61.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 61 terminated and the termination charges described in 33.61.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The customer may elect to discontinue Contract Offering No. 61 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.61.2(J) when all of the following conditions are met:

(1) The customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 61 was provided,

(3) The new service has a contract term that exceeds the time remaining in the customer's initial contract term for Contract Offering No. 61, and,

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 61.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.61.2 Contract Terms (Cont'd)

(M) Contract Offering No. 61 is not available as a Fiber Advantage DS1 service

A minimum of four DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the customer has fewer than four DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the customer will have thirty days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four DS0 channel minimum. If the customer fails to connect the additional services during the thirty day period following notification, the Telephone Company considers Contract Offering No. 61 terminated. If Contract Offering No. 61 is terminated during the initial contract term, the termination charges described in 33.61.2(J) apply.

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.61.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.61.3(B) applies.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.61 Contract Offering No. 61 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.61.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 62 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-573

33. [1] (D)

[1] See footnote (1) on page 33-573

33. [1] (D)

[1] See footnote (1) on page 33-573

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 63 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

ACCESS SERVICE

33. [1] (D)

[1] See footnote (1) on page 33-577

33. [1] (D)

[1] See footnote (1) on page 33-577

33. [1] (D)

[1] See footnote (1) on page 33-577

33. [1] (D)

[1] See footnote (1) on page 33-577

33. Pricing Flexibility Contract Offerings

(N)

33.64 Contract Offering No. 64 – DS3 Transport Service Offer

33.64.1 General Description

Contract Offer No. 64 – DS3 Transport Service Offer is an access discount pricing plan that provides the Customer with discounted rates for new and existing facilities. Qualified services under Contract No. 64 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) described in Section 33.64.2 (A). This Contract Offer is available from July 21, 2005 through August 21, 2005. This offer is not renewable.

All terms and conditions for the services provided under this Contract Offer are governed by Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, except as noted herein.

33.64.2 Eligibility Criteria

The following eligibility criteria must be met to purchase pricing flexibility qualified services (hereafter referred to as Subject Services) under this Contract Offer:

(A) Subject Services must be located in the following Pricing Flexibility MSA: San Diego, CA; and

(B) Subject Services must be provided in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7 – Fiber Advantage^{SM} DS3.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.64 Contract Offering No. 64 – DS3 Transport Service Offer (Cont'd) (N)

33.64.3 Terms and Conditions

(A) Term Period

The Term Period for this Contract Offer shall be five (5) years. The Effective Date of the Term Period shall be the date the Telephone Company completes the Letter of Subscription (LOS) from the Customer.

If the Customer elects to continue services upon the expiration of the Term Period, the Customer may; by written notification to the Telephone Company sixty (60) days prior to the expiration of the Term Period:

(1) Extend rates, terms and conditions of this Contract Offer for one (1) additional, one (1) year term; or
(2) Select from the applicable payment options in PBTC Tariff F.C.C. No. 1, Section 31.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C No. 1, Section 31.

(B) Subscription

(1) This Contract Offer is available for subscription from July 21, 2005 through August 21, 2005.

(2) To subscribe to this Contract Offer the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.64 Contract Offering No. 64 – DS3 Transport Service Offer (Cont'd)

33.64.3 Terms and Conditions (Cont'd)

(A) General

(1) Subject Services must be configured as follows:

(a) 'A' location must be cross connected to a Customer designated collocated facility; and
(b) 'Z' location must be multiplexed by the Telephone Company (DS3 to DS1); and
(c) Channel Mileage must be:
(i) At least one (1), but not greater than fifteen (15) miles; or
(ii) Greater than ninety (90) miles.

(2) The Customer may include existing Subject Services under this Contract Offer if those services were installed after May 20, 2005.

(3) The Customer may purchase new Subject Services under this Contract Offer until April 1, 2006.

(4) The Customer must have at least thirty-one (31), but not more than seventy-five (75) total existing and new Subject Services under this Contract Offer by April 1, 2006.

(5) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6, of Subject Services under this Contract Offer is prohibited.

(6) If the Customer discontinues service under this Contract Offer during the Term Period, a termination charge will apply in accordance with Section 33.64.7 for the discontinued services.

(7) The Customer must pay all Special Construction charges associated with the purchase of Subject Services provided under this Contract Offer.

(8) The Subject Services provided under this Contract Offer may not be included in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.64 Contract Offering No. 64 – DS3 Transport Service Offer (Cont'd)

33.64.4 Rates and Charges

The Customer must pay the following Monthly Recurring Charges (MRC) for these rate elements that comprise the Subject Services provided under this Contract Offer.

Channel Mileage Bands	Applicable USOC	MRC	
		Fixed	Per Mile
1 – 5 miles (Zone 1,2,3)	1L5XX	$440.00	$0.00
6 – 10 miles (Zone 1,2,3)	1L5XX	$470.00	$0.00
11 – 15 miles (Zone 1,2,3)	1L5XX	$500.00	$0.00
90 + miles (Zone 1)	1L5XX	$360.00	$17.50
90 + miles (Zone 2)	1L5XX	$369.00	$20.00
90 + miles (Zone 3)	1L5XX	$391.50	$22.50

Any rate elements not described herein will be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7.

33.64.5 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.64 Contract Offering No. 64 – DS3 Transport Service Offer (Cont'd)

33.64.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.64 Contract Offering No. 64 – DS3 Transport Service Offer (Cont'd)

33.64.7 Termination Liability

This termination liability language applies in lieu of termination liability language contained in PBTC Tariff F.C.C. No. 1. If the Customer requests termination of this Contract Offer, or requests termination of individual Subject Services provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer will be liable for a termination charge. This charge shall become due as of the effective date of the termination and is payable within 30 days of the invoice date.

The termination charge shall be equal to 50% of the recurring charges for the balance of the Term Period and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: Customer has $200,000 in recurring charges. If the service is terminated after thirty-six (36) months and has twenty-four (24) months remaining in a sixty (60) month term period, the termination charge would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Charge

(N)

(N)

33. Pricing Flexibility Contract Offerings

33.65 Contract Offering No. 65 - 2005 Access Extension Offer

33.65.1 General Description

(N)
(Nx)

Contract Offer No. 65 - 2005 Access Extension Offer is an access discount plan for which subscription is required to the following access tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, Nevada Bell Telephone Company Tariff F.C.C. No. 1, The Southern New England Telephone Company Tariff F.C.C. No. 39, and Pacific Bell Telephone Company Tariff F.C.C. No. 1. (Ameritech, Southwestern Bell Telephone Company, Nevada Bell Telephone Company, The Southern New England Telephone Company, and Pacific Bell Telephone Company shall be identified herein as the Qualified Companies). To be eligible for discounts under this Contract Offer, the Customer must meet the Eligibility Criteria set forth in Section 33.65.2, and also must comply with all terms and conditions of this Contract Offer. (Nx)

(N)

Contract Offer No. 65 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 33.65.6 following. The TRC shall include all Contributory Services purchased from the Qualified Companies eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 33.65.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 33.65.5, Table 4, herein. Contributory Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described in Section 33.65.5 must be purchased through the SBC wholesale sales channel (SBC Industry Markets). (N)

(x) Issued under Authority of Special Permission No. 05-037 of F.C.C.

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33. Pricing Flexibility Contract Offerings (N)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer

33.65.2 Eligibility Criteria (N)
(Nx)

The following eligibility criteria must be met to subscribe to Contract Offer No. 65:

(A) Managed Value Plan (MVP) Subscription

(1) At the time of subscription to this Contract Offer, the Customer must have MVP agreements pursuant to

(a) SWBT Tariff F.C.C No. 73, Section 38; and
(b) Ameritech Tariff F.C.C. No. 2, Section 19; and
(c) Pacific Bell Tariff F.C.C. No. 1, Section 22. (Nx)

(2) The Customer must maintain eligibility under all MVP agreements until they expire.

(3) Such MVP agreements must all be expiring in 2005.

(B) Customer must have billed revenue from Contributory Services, as listed in Section 33.65.5, net of all discounts, credits, and adjustments equal to or greater than 86.6 percent of 2004 Gross Spend rounded to the nearest million times 7/12’s as of August 1, 2005 or must buy up to that amount no later than 60 days after August 1, 2005 in order to qualify and remain qualified for Contract Offer No. 65. (N)

(C) Concurrent Subscription (Nx)

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 65 pursuant to the following tariffs:

(1) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 54;
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 73;
(3) Nevada Bell Tariff F.C.C. No. 1, Section 23, Contract Offer No. 4; and
(4) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 18. (Nx)

(D) Discounts applied under Contract Offer No. 65 are applicable for services located in MSAs as listed in Tariff F.C.C. No. 1, Section 31. (N)

(N)

(x) Issued under Authority of Special Permission No. 05-037 of F.C.C.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) will begin when the Customer submits a Letter of Subscription (LOS) and will end on December 31, 2005.

(B) Terms and Conditions

(1) The Customer must establish and maintain a TRC as described in Section 33.65.6 following.

(2) Two (2) true-up periods will occur during the Term Period of this Contract Offer:

(a) The first true-up will include all billing with respect to periods from the time of subscription to Contract Offer No. 65, up to and including the final MVP true-up, and will take place no later than 30 days after the expiration of the Customer's final MVP regional contract, as described in 33.65.7 (A).

(b) The final true-up will include all billing with respect to periods from the first day following the expiration of the Customer's final MVP contract up to and including December 31, 2005, and will take place no later then 30 days thereafter, as described in 33.65.7(B).

(3) MVP credits will continue to apply, if applicable, as described in F.C.C. No. 1, Section 22 until expiration of the MVP agreement. The MVP MATA process (as described in Section 22.3) will take place as part of the first true-up described in Section 33.65.7 herein.

(4) Contract Offer No. 65 is only available for subscription from August 4, 2005 through September 3, 2005.

(5) Any transfer of services from non-SBC wholesale entities/Access Customer Name Abbreviation (ACNA) will require an equivalent increase in the TRC based on the amount of revenue associated with the transferred services. The Customer's maximum Basic Credit Amount will not change as a result of the transfer.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(6) Customer will be eligible to subscribe to contract offers in Section 33 (or any successor section) filed prior to (providing the subscription window is still open) or after Contract Offer No. 65, as long as such contract offers do not reduce the TRC under Contract Offer No. 65 and the Customer qualifies for and adheres to the terms, conditions and eligibility requirements of the contract offer. For any contract offer which states that subscribers under such contract offer are not eligible to combine such contract offer with other contract offers, the Customer will not be permitted to earn any Achievement Credits with respect to such purchases, except that for any contract offer that by its terms states that nonrecurring charges apply under such contract offer the Customer will not be eligible to earn Basic or Achievement Credits associated with those nonrecurring charges.

(7) Terms and Conditions for Contributory Subject Services, pursuant to other contract offers the Customer is currently subscribed to at the time of subscription to this Contract Offer, shall continue to apply to those Contributory Subject Services covered under the other contract offers.

(8) Contributory Services continue to be governed by the respective terms and conditions (including MVP provisions with respect to services subject to MVP for so long as the Customer's MVP subscription remains in effect) as defined in Tariff F.C.C. No. 1, except as noted herein.

(9) The Customer must subscribe to the services available under this Contract Offer No. 65 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service.

(10) The Customer must submit a completed Letter of Subscription (LOS) to the Qualified Companies as described in 33.65.3(A).

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(11) The Customer must maintain an Access Service Ratio, equal to or greater than 95 percent. The Access Service Ratio is defined in Section 33.65.4 and will be measured monthly.

(12) The Customer must remit bill payments as described in F.C.C. No. 1 Section 2.4.1 for all Contributory Services via electronic payment process. The Qualified Companies will provide Customer with written notice if customer fails to comply with the requirement. The Customer will have ten (10) business days from receipt of such written notice to comply. If the Customer does not comply, the Qualified Companies shall have the right to terminate this Contract Offer. In the event of termination by the Qualified Companies, termination liability charges as set forth in Section 33.65.11 will apply. Credits, if applicable, will not be issued until the Customer has paid all billed charges

(13) If the Customer discontinues service under Contract Offer No. 65 during the Term Period, termination liability charges will apply in accordance with Section 33.65.11. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.4 Access Service Ratio

(A) As referenced in Section 33.65.3, the Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater. The ratio, calculated monthly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this contract offer, the ratio must be greater than or equal to 95 percent.

The 95 percent ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer's and its affiliates' current interstate recurring billed revenue associated with the rate elements, as defined in Table 1 below, or comparable interstate access services, from all Qualified Companies:

Table 1:

Service	General/Basic Description
Voice Grade	7.2.3
Generic Digital Transport (DS0), High Capacity (DS1 and DS3) Services	7.2.8 & 7.2.9
[1]		(D)
[1]		(D)
SONET Ring Access Service & [1]	7.2.11 & [1]

(2) Wholesale Revenue is the Customer's and its affiliates' recurring billed revenue for associated rate elements, as defined in Table 2 herein, from all Qualified Companies not included in the interstate or intrastate access tariff(s).

[1] Material previously contained in this section has been deleted. DSRS, GigaMAN, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 65 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

Table 2

Service Level	Associated Rate Elements Not Included in Interstate Tariff	
Voice Grade/DS0	**2-wire analog and 2-wire digital loops 2-wire analog and digital transport**	
DS1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**	
DS3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**	
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service**	(Z) (Z)
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**	

(3) As new rate elements are introduced to Table 1 in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(4) As new rate elements are introduced to Table 2 in Section 33.65.4(A)(2), all recurring revenues associated with the new rate elements will automatically be added to the Customer's Annual Wholesale Revenue, as defined in Section 33.65.4(A)(1)preceding, for calculation of the Access Service Ratio.

(5)If the Customer fails to meet the Access Service Ratio in any given month of the Term Period, upon notification from the Qualified Companies, the Customer will have ten (10) business days to notify the Qualified Companies in writing that it will meet or exceed the 95-percent Access Service ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and Qualified Companies shall have the right to terminate Contract Offer No. 65. In the event of a termination by Qualified Companies, termination liability charges will apply as set forth in Section 33.65.11 following.

Credits will not be issued until the Customer has met the 95 percent Access Service Ratio.

33.65.5 Contributory Services

The TRC shall include all Contributory Services purchased from the Qualified Companies eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 33.65.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 33.65.5, Table 4, herein.

Contributory Subject Services and Contributory Non-Subject Services shall together be known as Contributory Services. Customer's TRC includes revenue from all Contributory Services being provided by the Qualified Companies, as listed in Table 3 and 4 below.

Any new Special Access services added to the respective tariffs by Qualified Companies during the Term Period will qualify as Contributory Services and will be deemed to be added to the tables below.

(A) Contributory Subject Services

Contract Offer No. 65 applies to pricing flexibility qualified access services (referred to as Contributory Subject Services) located in pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Tariff F.C.C. No. 1, Section 31. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.5 Contributory Services (Cont'd)

(B) Contributory Non-Subject Services

Contributory Non-Subject Services (that are not Contributory Subject Services) shall not be eligible for discounts or other incentives provided under this Contract Offer and are listed in Table 4.

Table 3 – Contributory Subject Services

Contributory Subject Services		
Interstate Special Access	VG, DS0, DS1, DS3, [1], SRAS, [1], STN, FGTS, BCS, [1], [1], DAL, Program Audio, Video	(D) (D)
Interstate Switched Transport	Entrance Facility, Direct Transport	
Includes Recurring and Non-Recurring Charges (including termination charges) associated with the products listed where applicable, except as described in Section 33.65.6 following, for all services located in Pricing Flexibility MSA's.		

Table 4 – Contributory Non-Subject Services

Contributory Non-Subject Services		
Interstate Special Access	VG, DS0, DS1, [1], [1], [1], SRAS, [1], FGTS, BCS, [1], [1], [1], DAL, Program Audio, Video	(D) (D)
Interstate Switched Transport	Entrance Facility, Direct Transport	
Intrastate Special Access	Equivalent services as Interstate Special Access above if available	
Includes all Recurring and Non-Recurring Charges (including termination charges) associated with the products listed where applicable, except as described in Section 33.65.6 following, for all non-price flex qualified services.		

All Terms and Conditions for all Contributory Services are governed by their respective tariff sections.

[1] See footnote (1) on page 33-593

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC)

The Customer must establish and maintain a Total Revenue Commitment (TRC) as provided in this Contract Offer. Upon subscription, the Customer's TRC will be established based on billed revenue from Contributory Services, as listed in Section 33.65.5, net of all discounts, credits, and adjustments as specified in Section 33.65.6 (B)(1)(b) equal to 86.6 percent of 2004 Gross Spend rounded to the nearest million times 5/12's.

Example: Customer's 2004 Gross Spend equals $121.3M. 86.6% of 121.3M equals $105M (rounded to the nearest million). 5/12's of $105M equals $43.75 TRC.

$121.3M * 86.6% = $105M/12 = $8.75M * 5 = $43.75M

(A) Gross Spend, as defined in Section 33.65.6 (A)(1),(2),(3),(4),(5), and (6) is calculated by taking the sum of all of the purchases from the Qualified Companies, as described in Section 33.65.5 preceding, based on billed revenue. The Gross Spend is net of all discounts from existing optional payment plans or other tariffs or offers utilized by the Customer as of the date of subscription to this Contract Offer, any renewals, replacements or extensions of the foregoing, and any underlying tariff performance credits, but does not include discounts received under MVP (MARC or SLA credits).

(1) Interstate Special Access recurring charges billed to the Customer associated with services described in Section 33.65.5 Table 3 and 4 preceding.

(2) Interstate Special Access non-recurring charges billed to the Customer (including, but not limited to items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) except as noted in 33.65.6(A)(6).

(3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 33.65.5 Table 4 preceding.

(4) Intrastate Special Access non-recurring charges billed to the Customer (including but not limited to items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) except as noted in 33.65.6(A) (6) below.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(A) (Cont'd)

(5) Interstate Switched Access Dedicated Transport recurring and non-recurring charges (including but not limited to items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) billed to the Customer for rate elements in Table 5 below.

Table 5

Service	General Basic Description
Entrance Facilities	Section 6.7.1(D)1
Direct Trunk Transport	Section 6.7.1(D)2

(6) Non-recurring charges detailed in 33.65.6(A)(2),(4), and (5) above exclude Special Construction and unregulated time and materials charges (e.g. Inside Wire, Custom Work Orders, etc.)

(B) Application of Credits

The Customer is eligible to receive two (2) types of credits under this Contract Offer.

(1) Basic Credit

The Basic Credit is equal to the difference between the TRC and the purchase of Contributory Services up to 148.9 percent of the TRC (rounded to the nearest million). The Customer will receive Basic Credits on Contributory Subject Services.

(a) Calculation of the Basic Credit. To determine the amount of Basic Credit the Customer can achieve, the TRC is multiplied by 148.9 percent. This amount less the TRC will equal the potential eligible Basic Credit rounded to the nearest million. If qualified, award of Basic Credit under this Contract Offer shall satisfy the Qualified Companies' Basic Credit obligations. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(a) (Cont'd)

Example:

The Customer has 2004 Gross Spend of $121.3M. 86.6 percent of 2004 Gross Spend equals $105M rounded to the nearest million.

The TRC is equal to 5/12's of $105M.
5/12's of $105M equals $43.75M

The eligible total Basic Credit available is:

$43.75 * 148.9% = $65.14M
$65.14M - $43.75M = $21M eligible Basic Credits rounded to the nearest million.

(b) The following credits issued to the Customer associated with the Contributory Services covered under the TRC (MVP Commitment credits, MVP SLA credits, and credit received under the first true-up attributable to this Contract Offer) but not including any discounts or credits described in 33.65.6(B)(1)(c) below, will be used by the Qualified Companies to satisfy any applicable Basic and Achievement Credit obligations under this Contract Offer.

Example:

The Customer has TRC of $43.75M. The Customer achieves 148.9 percent of TRC equal to $65.14M. The Customer has received or is entitled to receive a total of $7M in MVP Commitment Credits and $2M in MVP SLA Credits for a total of $9M in credits unrelated to this Contract Offer.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(b) (Cont'd)

Table 6

2004 Gross Spend calculated as described above	86.6 percent of 2004 Gross Spend (rounded)	TRC = 5/12's of 86.6 percent 2004 Gross Spend	148.9 percent of TRC as described above (rounded)
$121.3M	$105M	$43.75M	$65.14M

Qualified Companies' Basic Credit obligations to the Customer in the amount of $21M ($65.14M - $43.75M, rounded to the nearest million) under Contract Offer No. 65, as described in Table 6, will be satisfied by the $9M in non-contract related credits acquired by the Customer under MVP and MVP SLA, and $12M in Basic Credits paid related to this Contract Offer. This amount will be determined at the final true-up period once all other credits have been applied accordingly.

(c) MVP Commitment credits applicable to periods prior to 2005, MVP SLA credits applicable to periods prior to 2005, or other credits applicable to periods prior to 2005, other discounts from optional payment plans or other tariffs, or offers utilized by the Customer as of the date of subscription to this Contract Offer, any renewals, replacements, or extensions of the foregoing, and any underlying tariff performance credits (other than MVP SLA credits) will not be used to satisfy any applicable Basic or Achievement Credit Obligations under this Contract Offer.

The Customer will not pay less than the TRC for the Term Period, except as described in Section 33.65.8 following. If the Customer does not achieve the TRC through the purchase of Contributory Services as of December 31, 2005, the Customer will be required to pay the deficiency.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(c) (Cont'd)

Basic Credits shall be calculated and awarded on an aggregate basis across the Qualified Companies. If qualified for a Basic Credit, an award of Basic Credit under this Contract Offer shall satisfy any Basic Credit obligations of the other Qualified Companies under the tariff offerings listed in Section 33.65.2(C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 65.

The total Basic Credit will be increased dollar for dollar to the extent that any amount by which Gross Spend during the Term Period exceeds 148.9 percent of the TRC is attributable to increases in tariff rates effective after March 31, 2005.

Example:

Customer's Gross Spend increased $10M due to applicable tariff rate increases after March 31, 2005.

Customer exceeds 148.9% of TRC by $30M.

Of the $30M, $10M is added to Basic Credit
$20M would receive Achievement Credit equal 17%

(2) Achievement Credits

Achievement Credits are those credits the Customer will receive based on purchases of Contributory Subject Services above 148.9 percent of the TRC.

(a) Achievement Credits are applied to purchase of services as described in Section 33.65.5 in excess of 148.9 percent of the TRC. The amount of applicable credit will be determined based on the amount of Gross Spend above the TRC as defined in Section 33.65.6 preceding, measured at the final true-up period described in Section 33.65.7 below. The Customer will receive a discount on Contributory Subject Services equal to 17 percent of total revenue above 148.9 percent of the TRC.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(2) Achievement Credits

(a) (Cont'd)

Achievement Credits shall be calculated and awarded on an aggregate basis across the Qualified Companies. If qualified, award of Achievement Credit under this Contract Offer shall satisfy the Qualified Companies' Achievement Credit obligations.

Example:

The Customer has TRC of $43.75M. The Customer achieves 155 percent of TRC equal to $67.8M. The Customer will receive $21M in Basic Credits as described above, and the Customer will receive $452K in Achievement Credits calculated as follows:

($67.8M minus (TRC x 148.9%)) x 17%.

$67.8M – $65.14M ($43.75M x 148.9%) = $2.66M
$2.66M x 17% = $452K (Achievement Credits).

Table 7

148.9% of TRC	$65.14M
Gross Spend Achievement during Term Period (GSA)	$67.8M
Difference between 148.9% of TRC and GSA	$2.66M
Credit due for billed revenue above 148.9% of TRC x 17%	$452K

The Customer receives $21M in Basic Credits plus $452K in Achievement Credits for total credits of $21.452M as described in Table 7.

(3) Transfer of Qualified Services

(a) Any transfer of services from non-SBC wholesale entities/ACNAs will require an equivalent increase in the TRC based on the amount of revenue associated with the transferred services. The Customer's maximum Basic Credit will not change as a result of the transfer.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(3) Transfer of Qualified Services (Cont'd)

(a) (Cont'd)

Example: Customer has a TRC of $43.75M and is eligible to earn up to a maximum of $21M in Basic Credits. Customer transfers $10M of services from a non-SBC wholesale entity. The Customer's new TRC will be $53.75M ($43.75M plus $10M = $53.75M). The Customer's maximum Basic Credit($21M) will not change as a result of the transfer.

33.65.7 True-up Process

To determine TRC achievement, two true-up calculations will be performed as follows:

(A) First True Up - At the expiration of the final regional MVP agreement, the minimum required revenue will be based on the TRC proportionately divided between the months of 2005, in whole or in part, under MVP and the months of 2005 not under MVP plus 7/12's of 86.6 percent of 2004 Gross Spend, as described in Section 33.65.2 preceding.

Example 1: MVP expires 8/31/05. The Customer must meet a minimum of 1/5 of $43.75M TRC which is equivalent to $8.75M plus 7/12's of 86.6 percent of 2004 Gross Spend as described in Section 33.65.2 preceding.

Example 2: MVP agreements expire 8/31/05 and 10/31/05. The Customer must meet a minimum of 3/5's of $43.75M TRC, which is equivalent to $26.25M plus 7/12's of 86.6% of 2004 Gross Spend, as described in Section 33.65.2 preceding.

If the Customer's purchase of Contributory Services, after all credits as described above, is greater than the minimum required revenue at time of true-up, the Customer will receive a Basic Credit equivalent to revenue above the minimum required revenue amount.

If the Customer's purchase of Contributory Services, after all credits as described above, is below the minimum required revenue at the time of true-up, the Customer will be billed the amount required to meet the minimum revenue amount and will pay such bill pursuant to Section 33.65.7(D)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.7 True-up Process (Cont'd)

(B) Final True Up - On December 31, 2005 calculation of final TRC achievement will be made to determine any eligible Basic or Achievement credits.

If the Customer's purchase of Contributory Services, after all credits as described above, is greater than the TRC required at time of true-up, the Customer will receive a Basic Credit against Contributory Subject Services equal to the amount above the TRC not to exceed the amount outlined in Section 33.65.6(B) preceding.

Example 3: The Customer's TRC is $43.75M.
The Customer's purchase of Contributory Services is $54M
The Customer will receive Basic Credit equal to $11.75M

If the Customer's purchase of Contributory Services, after all credits as described above, is below the TRC at the time of the final true-up, the Customer will be billed the amount required to meet the TRC and will pay such charge pursuant to Section 33.65.7(D).

Example 4: The Customer's TRC is $43.75M.
The Customer's purchase of Contributory Services is $38.75M
The Customer must pay $5M.

If the Customer's purchase of Contributory Services, after all credits as described above, is greater than 148.9 percent of the TRC, the Customer will receive a Basic Credit against Contributory Subject Services equal to the difference between the TRC and 148.9 percent of TRC, and an Achievement Credit against Contributory Subject Services equal to a 17 percent discount on services above 148.9 percent of TRC.

Example 5: The Customer's TRC is $43.75M
The Customer's purchase of Contributory Services is $67.8M.
The Customer receives $21M in Basic Credits and $452K in Achievement credits.

(C) If, at the time of final true-up, the Qualified Companies owe the Customer a Basic Credit amount as described above, the credit will be applied to the Customer's bill no later then 30 days after the final true-up date.

(D) If, at the time of true-up, the Customer must buy up to meet the TRC as described above, payment must be submitted to the Qualified Companies no later than 30 days after the true-up date.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.8 Service Level Agreement (SLA)

The Qualified Companies will calculate the MVP SLA 1 performance measurement point value and the SLA 2 performance measurement, as described in F.C.C. No. 1 Section 22.3(G), as if it were applicable for the full 2005 calendar year. The Qualified Companies will calculate the MVP SLA 1 performance measurement point value and the SLA2 performance measurement, as described in F.C.C. 1 Section 22.3(G), as if it were applicable for the full 2004 calendar year. No credits will be rendered with respect to 2005 based on these calculations, but if these calculations show that the Qualified Companies would have paid out a higher amount under the MVP SLAs in calendar year 2005 (if the Customer had been eligible to receive credits under the MVP SLAs through calendar year 2005) than what the Qualified Companies would have paid out under the MVP SLAs in calendar year 2004, the Qualified Companies will determine the difference between what the Qualified Companies paid out under MVP SLA in calendar year 2004 versus what the Customer would have been eligible to receive under MVP SLA if MVP extended through calendar year 2005. If the MVP SLA credit amount the Qualified Companies would have paid out for calendar year 2005 is greater than the MVP SLA credit amount paid out for calendar year 2004, then the MVP SLA credit amount the Customer received in calendar year 2004 will be subtracted from the amount of MVP SLA credit the Customer would have qualified for in calendar year 2005 and, if a positive number, the amount of any difference, less any impact based on an MVP MARC increase, will be deducted from the Customer's TRC.

Any credits due to the Customer resulting from any deduction to the TRC under this section will be determined and applied after the December 31, 2005 true-up process is finalized.

Example A: MVP calendar year 2005 effective SLA credit would be greater than MVP calendar year 2004 SLA credit.

The Customer MVP MARC = $30M (with MVP term agreement expiration August 31, 2005).

MVP calendar year 2004 total SLA credit = 1%.

$30M * 1% = $300K total SLA credit received by the Customer in calendar year 2004.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.8 Service Level Agreement (SLA) (Cont'd)

Example A: (Cont'd)

MVP calendar year 2005 effective SLA credit the Customer would have received if MVP extended through December 31, 2005 = 2%.

$30M * 2% = $600K total SLA credit the Customer would have received in calendar year 2005.

MVP calendar year 2005 effective SLA credit ($600K) minus MVP calendar year 2004 credit ($300K) = $300K.

The Customer qualifies for a $300K SLA credit to be applied to the Customer TRC.

$105M - $300K = $104.7M (new TRC).

Example B: MVP calendar year 2005 effective SLA credit is less than or equal to MVP calendar year 2004 SLA credit.

The Customer MVP MARC = $30M (with MVP term agreement expiration August 31, 2005).

MVP calendar year 2004 total SLA credit = 1%.

$30M * 1% = $300K total SLA credit received by the Customer in 2004.

MVP calendar year 2005 effective SLA credit the Customer would have received if MVP extended through December 31, 2005 = 1%.

$30M * 1% = $300K effective SLA credit the Customer would have received in 2005.

MVP plan year 2005 effective SLA credit ($300K) minus MVP plan year 2004 SLA credit ($300K) = $0.

The Customer does not qualify for any additional SLA credits toward its TRC.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.9 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 65 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Qualified Companies will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, unless:

(A) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (1) or (2) below, or

(B) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.10 Mergers and Acquisitions

The terms and conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases any services that are Contributory Services under this Contract Offer No. 65 from the Qualified Companies, the Contributory Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

The terms and conditions of Section 33.65.9 above do not apply when the merger or acquisition occurs in accordance with the provisions outlined in this section 33.65.10

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.11 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 1, Section 7. If the Customer terminates Contract Offer No. 65 before the expiration of the Term Period for any reason whatsoever, the Customer must pay the Qualified Companies termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification ninety (90) days prior to the desired date of termination to the Qualified Companies. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 33.65.2, or fails to meet any of the Terms and Conditions in Contract Offer No 65, then the Qualified Companies shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to return to compliance. If the Customer does not return to compliance within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 65, and termination liability charges will apply as stated below and will be payable within thirty (30) days from the time the contract is deemed terminated.

If the Customer terminates its subscription to this Contract Offer prior to September 30, 2005, the Customer must pay termination liability charges in an amount equivalent to a prorated portion of the TRC based upon the remaining months of the TRC as shown below:

(A) Example:

The Customer's TRC is $43.75M. The Customer terminates the contract on August 31, 2005. The Customer has 4 months remaining on the contract term and will owe $35M in termination liability

$43.75M/5 * 4 = $35M = in termination liability

If the Customer terminates its subscription to this Contract Offer after September 30, 2005, the Customer must pay termination liability charges in an amount equivalent to a prorated portion of the TRC based upon the remaining months of 2005, as well as any credits received under this Contract Offer.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.65 Contract Offering No. 65 – 2005 Access Extension Offer (Cont'd)

33.65.11 Termination Liability Charges (Cont'd)

(B) Example:

The Customer's TRC is $43.75M. The Customer terminates the contract on October 31, 2005. The Customer has 2 months remaining on the contract term and has received $5M in the first true-up under this Contract Offer.

$43.75M/5 * 2 = $17.5M plus
$5M in first true-up

$17.5M + $5M = $22.5M in termination liability

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(N)

33. Pricing Flexibility Contract Offerings

33.66 Contract Offer No. 66– OC-12 SONET Ring and Access Service Renewal Offer

33.66.1 General Description

OC-12 SONET Ring and Access Service Renewal Offer is an access discount plan that permits customers to renew an existing OC-12 SONET Ring and Access Service located in the Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs), and to pay the rates listed in Section 33.66.5 for the renewed OC-12 SONET Ring and Access Services that meet the eligibility criteria listed in Section 33.66.3 below. This contract offering is available in the MSAs listed in Section 33.66.3 (A).

Contract Offer No. 66 is only available for subscription August 5, 2005 through September 5, 2005. This offer is not renewable.

33.66.2 Subject Services Available Under Contract Offer No.66

Contract Offer No. 66 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff section:

- SONET Ring and Access Service OC-12 – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.2.11.

33.66.3 Eligibility Criteria

The following eligibility criteria must be met in order to receive discounts under Contract Offer No. 66:

(A) Service must be located in Pricing Flexibility Qualified MSAs: San Francisco/Oakland CA

(B) The Customer's existing Subject Service must be configured as described below:

Two (2) CO Access Ports OC-3/3c to OC-12
Six (6) Premise Access Ports – OC-3/c
Two (2) Dedicated Ring Fees–Alt Wire Center OC12
Two (2) Dedicated Ring Fees–Interoffice OC-12
Two (2) Dedicated Ring Fees–Local Loop OC-12
Four(4) Nodes – C.O. Nodes – OC-12
Two (2) Nodes – Premise Nodes – OC-12
Eighteen (18) OC-12 interoffice mileage

(C) The existing Subject Service must have completed a five (5) year term agreement with the Telephone Company.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.66 Contract Offer No. 66– OC-12 SONET Ring and Access Service Renewal Offer (Cont'd)

33.66.3 Eligibility Criteria (Cont'd)

All terms and conditions for the qualified services are governed by their respective tariff sections except as noted herein.

33.66.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three(3)years, commencing on the date the Telephone Company receives the completed Letter of Subscription (LOS). This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in Pacific Bell Telephone Company Tariff F.C.C. No. 1 Section 7 for OC-12 SONET Ring and Access Service.

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7, Subject Services will be converted to the prevailing applicable monthly rates.

Rate stability under Contract Offer No. 66 applies only to the rates specific to this Contract Offer as outlined in Section 33.66.5.

(B) Contract Offer No. 66 is only available August 5, 2005, through September 5, 2005.

(C) The Customer will receive discounts available under this Contract Offer, as described in Section 33.66.5, for the renewal of an existing OC-12 SONET Ring and Access Service only.

(D) In order to subscribe to Contract Offer No. 66, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(E) If the Customer should discontinue service under Contract Offer No. 66 during the Term Period, termination liability charges will apply in accordance with Section 33.66.6.

(F) The Customer must subscribe to the services available under this Contract Offer No. 66 in accordance with the regulations set forth in Section 5 – Ordering Options.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.66 Contract Offer No. 66– OC-12 SONET Ring and Access Service Renewal Offer (Cont'd)

33.66.4 Terms and Conditions (Cont'd)

(G) The Customer will not be able to subscribe to any other Contract Offering in Section 33 in conjunction with Contract Offer No. 66 that might be offered by the Telephone Company now or in the future for services covered under this Contract Offer 66.

(H) Subject Services under this Contract Offer will not be eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 22. This Contract Offer No. 66 cannot be combined with any other promotion, contract, or discount offer.

33.66.5 Rates and Charges

The Customer must pay the following Monthly Recurring Charge (MRC) in Table A for the renewed OC-12 SONET Ring and Access Service:

Table A

Rate Description	USOC	QTY	Unit Price	MRC
C.O. ACCESS PORT – OC3/3C TO OC12 (155 MBPS)	FC6VK	2	$ 160.00	$ 320.00
PREM ACCESS PORT – OC3/C (155 MBPS)	FP6OX	6	$ 565.00	$ 3,390.00
DEDICATED RING FEE – ALT WIRE CENTER	FECAX	2	$ 850.00	$ 1,700.00
DEDICATED RING FEE – INTEROFFICE	FECFX	2	$ 330.00	$ 660.00
DEDICATED RING FEE – LOCAL LOOP	FECLX	2	$ 700.00	$1,400.00
NODE – C.O. NODE OC12	FH5XC	4	$1,550.00	$6,200.00
NODE – PREM NODE OC12	FP5XC	2	$2,430.00	$4,860.00
INTEROFFICE MILEAGE OC12(622 MPBS)	1L5XX	18	$ 200.00	$3,600.00
				$22,130.00

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.66 Contract Offer No. 66– OC-12 SONET Ring and Access Service Renewal Offer (Cont'd)

33.66.6 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Section 7.4.16 (A). If the Customer terminates subject services before the completion of the Term Period for any reason, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the terms and conditions of this Contract Offer. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described below.

The Customer's termination liability charges shall be equal to:

50% of all recurring charges for the balance of Customer's five (5)year term.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $ 20,000.00 monthly rate terminates service after 50 months and has 10 months remaining in a five year term plan. The termination liability would be calculated as:

$20,000.00 X 10 X 50% = $100,000.00 termination liability charge.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

(N)

33.67 Contract Offering No. 67 – OC-48 Ring Offer

33.67.1 General Description

Contract Offer No. 67 – OC-48 Ring Offer is an access discount pricing plan that provides the Customer with discounted rates for new and existing OC-48 ring services. Qualified services under Contract No. 67 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) described in Section 33.67.2 (A). This Contract Offer is available from August 9, 2005 through September 9, 2005. This offer is not renewable.

All terms and conditions for the services provided under this Contract Offer are governed by Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, except as noted herein.

33.67.2 Eligibility Criteria

The following eligibility criteria must be met to purchase pricing flexibility qualified services (hereafter referred to as Subject Services) under this Contract Offer:

(A) Subject Services must be located in the following Pricing Flexibility MSAs: Santa Rosa, CA; Sacramento, CA;

(B) Subject Services must be provided in PBTC Tariff F.C.C. No. 1, Section 31.5.2.10 – Sonet Ring and Access Service (SRAS); and

(C) The Customer must have one existing SRAS OC-48 Ring in each MSA listed above (for a total of two existing SRAS OC-48 Rings) that satisfies the criteria below:

(1) Must be configured with only one Premise Node and only two CO Nodes; and

(2) Must have completed at least ninety-five (95) percent of the original term plan agreements with the Telephone Company.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.67 Contract Offering No. 67 – OC-48 Ring Offer (Cont'd) (N)

33.67.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years for the existing Subject Services, commencing on the execution date of the Letter of Subscription. The contract term (Term Period) is five (5) years for new Subject Services, commencing on the date billing begins.

Upon expiration of the Term Period, the Customer may select from the applicable rate stability payment plans in PBTC Tariff F.C.C. No. 1. If the Customer does not select a new payment plan, the Subject Services provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C No. 1, Section 31.

(B) Subscription

(1) This Contract Offer is available for subscription from August 9, 2005 through September 9, 2005.

(2) To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.67 Contract Offering No. 67 – OC-48 Ring Offer (Cont'd)

33.67.3 Terms and Conditions (Cont'd)

(A) General

(1) The Customer must renew two existing SRAS OC-48 Rings as described in 33.67.2 (C).

(2) The Customer must purchase one new SRAS OC-48 Ring within sixty (60) days of subscription that meets the following configuration requirements:
(a) One Customer Premise Node with twenty-four (24) DS3 Access Ports; and
(b) One CO Node with twenty-four (24) DS3 Access Ports.

(3) This Contract Offer only applies to a total of three (3) SRAS OC-48 Rings.

(4) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6, of Subject Services under this Contract Offer is prohibited.

(5) If the Customer discontinues service under this Contract Offer during the Term Period, a termination charge will apply in accordance with Section 33.67.7 for the discontinued services.

(6) The Customer must pay all Special Construction charges associated with the purchase of Subject Services provided under this Contract Offer.

(7) The Subject Services provided under this Contract Offer may not be included in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.67 Contract Offering No. 67 – OC-48 Ring Offer (Cont'd)

33.67.4 Rates and Charges

The Customer must pay the following Monthly Recurring Charges (MRC) for the rate elements that comprise the Subject Services provided under this Contract Offer.

Rate Elements	Applicable USOC	MRC
Existing SRAS OC-48 Rings		
Nodes		
Premise Node	FP5XC	$4,185.00
CO Node	FH5XC	$3,330.00
Access Ports(per port)		
OC-3 Premise	FP6OX	$351.00
OC-3 CO	FC6UX	$360.00
DS3 Premise	FP6BX	$135.00
DS3 CO	FC6YX	$112.50
Dedicated Ring Fees		
Interoffice	FECFX	$630.00
Local Loop	FECLX	$1,260.00
Alternate Wire Center	FECAX	$1,575.00
New SRAS OC-48 Ring		
Nodes		
Premise Node	FP5XC	$3,487.50
CO Node	FH5XC	$2,775.00
Access Ports(per port)		
DS3 Premise	FP6BX	$75.00
DS3 CO	FC6YX	$62.50
Dedicated Ring Fees		
Local Loop	FECLX	$1,050.00

Any rate elements not described herein, or not included in the configuration of the Subject Service at the commencement of the Term Period, will be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1, Section 31.5.2.10.

33.67.5 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition).

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.67 Contract Offering No. 67 – OC-48 Ring Offer (Cont'd)

33.67.5 Mergers and Acquisitions (Cont'd)

Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.67.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.67 Contract Offering No. 67 – OC-48 Ring Offer (Cont'd)

33.67.7 Termination Liability

This termination liability language applies in lieu of termination liability language contained in PBTC Tariff F.C.C. No. 1. If the Customer requests termination of this Contract Offer, or requests termination of individual Subject Services provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer will be liable for a termination charge. This charge shall become due as of the effective date of the termination and is payable within 30 days of the invoice date.

The termination charge shall be equal to 50% of the recurring charges for the balance of the Term Period and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: Customer has $200,000 in recurring charges. If the service is terminated after thirty-six (36) months and has twenty-four (24) months remaining in a sixty (60) month term period, the termination charge would be calculated as:

$200,000 X 24 months X 50% = $2,400,000 Termination Charge

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 68 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-621

33. [1] (D)

[1] See footnote (1) on page 33-621

33. [1] (D)

[1] See footnote (1) on page 33-621

33. [1] (D)

[1] See footnote (1) on page 33-621

33. [1] (D)

[1] See footnote (1) on page 33-621

33. [1] (D)

[1] Material previously contained in this section has been deleted. GigaMAN services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 69 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-627

33. [1] (D)

[1] See footnote (1) on page 33-627

33. [1] (D)

[1] See footnote (1) on page 33-627

33. [1] (D)

[1] See footnote (1) on page 33-627

33. [1] (D)

[1] See footnote (1) on page 33-627

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(N)

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.1 General Description (Cont'd)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 33.70.4(E). In addition to the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 33.70.9, shall apply. Contract Offer No. 70 will be available for subscription from XX, 2005 through 70, 2005.

33.70.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 70, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(1) Contract Offer No. 70 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs): San Jose, Fresno, Los Angeles / Long Beach, Bakersfield, Modesto, Oxnard / Ventura, Sacramento, San Diego, San Francisco / Oakland, Santa Rosa, and Stockton, CA.

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs; provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 33.70.4; (N)

(N)

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.2 Eligibility Criteria (Cont'd) (N)

(Nx)

(A) (Cont'd)

(2) The Customer's first year MARC shall be $12.0 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech, PBTC, SWBT, and SNET. Other Contributory Services may be provided by other SBC companies; (Nx)

(3) The Customer cannot subscribe to Contract Offer No. 70 concurrently with SBC's MVP Offering in Section 22; (N)

(Nx)

(B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 70, pursuant to the following tariffs:

(1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 79;
(2) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 58, and (Nx)
(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 20.

(x) Issued under Authority of Special Permission No. 05-041 of F.C.C.

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.2 Eligibility Criteria (Cont'd)

(C) Contributory Subject Services

Contract Offer No. 70 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

Service	General Basic Description	Rates & Charges Phase I	Rates & Charges Phase II	
Special Access				
High Capacity Services	7.2.9	7.5.9	31.5.2.7	
(1)				(D)
OC-3, OC-12, OC-48 and (1)	7.2.11, (1)	7.5.13, (1)	31.5.2.10, (1)	(D) (D)
(1)				(D)
(1)				(D)
Metallic Service	7.2.1	7.5.1	31.5.2.1	
Telegraph Grade Service	7.2.2	7.5.2	31.5.2.2	
Voice Grade Service	7.2.3	7.5.3	31.5.2.3	
Switched Access Dedicated Transport Services	6	6.8	31.5.1	

All Terms and Conditions for the Contributory Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 33.70.4. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer, beginning with the first year after the additional services become eligible for pricing flexibility, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 33.70.4.

(1) Material previously contained in this section has been deleted. DSRS, GigaMAN, MON, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 70 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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(N)

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.3 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) is five (5) years, commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 70 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the terms and conditions set forth herein, must be converted to five (5) year term payment plans (where available), to receive discounts pursuant to this Contract Offer no later than August 1, 2006, except for those services whose conversion would cause the rates to increase over existing rates, those services would be exempt and remain at existing rates on the current term payment plan for those services . If a five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select the longest term plan available for the Contributory Subject Service.

Services are subject to certain rates, charges, and general Terms and Conditions in other sections of F.C.C. Tariff No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such Terms and Conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Offer No. 70 is available for subscription only from September 7 2005 through October 7, 2005.

(C) The Customer must submit a completed Letter of Subscription (LOS) to the Telephone Company.

(D) Commingling, as defined in F.C.C. No. 1, Section 2.6, of Subject Services under this Contract Offer is prohibited.

(E) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in PBTC Tariff F.C.C. No. 1, Section 5 – Ordering Options.

(N)

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(N)

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.3 Terms and Conditions (Cont'd)

(F) The Customer may not subscribe to any future Contract Offerings in Section 33 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer unless expressly permitted in the future Contract Offer.

(G) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under Section 2.4.1 of F.C.C. Tariff No. 1 before exercising any remedy under this section. The Telephone Company will provide the Customer written notice (via registered letter) of non-compliance. The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 33.70.11 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.4.1.

(H) Customer must have achieved billing of Contributory Subject Service, Switched Access Transport that is no greater than $100,000 upon subscription to this Contract Offer.

(I) If the Telephone Company introduces a new Special Access or Switched Access service or an enhancement to an existing Special Access or Switched Access service, then such services shall be automatically included as Contributory Non Subject Services, and the Customer's purchase of such new or enhanced Contributory Non Subject Services shall be included in the calculation of the MARC, subject to the terms and conditions set forth in this Contract Offer.

(I) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

33.70.4 Minimum Annual Revenue Commitment (MARC)

Contract Offer No. 70 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 33.70.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services, as described in Section 33.70.2(C), herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services). (N)

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(N)

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Establishing the MARC

(1) The Customer's Year 1 MARC will be established when the Telephone Company receives the LOS from the Customer. The Customer's MARC for Year 1 shall be $12.0 Million, or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater.

Example 1: LOS is executed on August 1, 2005. The Year 1 MARC is established upon subscription at $12.0M. The Customer's actual revenue to Telephone Company from May 1, 2006 to July 31, 2006 is $4M. The new Year 2 MARC, effective August 1, 2006, is $16M ($4M multiplied by 4 equals $16M.)

(2) The MARC will be re-established, effective on each anniversary date, beginning on the first anniversary (Year 2 MARC). The MARC for Years 2, 3, 4, and 5 will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 2: Term Period begins August 1, 2005. The MARC for Year 2 is $16.0M. The Customer's actual revenue to Telephone Company from May 1, 2007 to July 31, 2007 is $2.5M. The new Year 3 MARC, effective July 1, 2007, is $16.0M. (The $16.0M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.)

(B) Inclusion of Contributory Subject Services

(1) The following are the only billed revenues that can be included in the MARC:

(a) Monthly billed recurring revenues, including (that is, net) any credits or discounts given under existing pricing plans (e.g. Term Payment plans or Commitment Discount Plan) if applicable for the Subject Services provided during the Term Period; and

(b) Any credits and adjustments made to monthly billed amounts for Subject Services which are purchased by the Customer during the Term Period.

(N)

33. Pricing Flexibility Contract Offerings

33.70 Contract Offer No. 70 – Special Access Service Offer

33.70.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Inclusion of Contributory Subject Services (Cont'd)

(1) (Cont'd)

(c) All other charges, other than those listed in Section 33.70.4(B)(1), are excluded.

Customer's existing Contributory Subject Services that are included in the MARC will be based on the rates that would apply to a five-year minimum term, regardless of whether the Contributory Subject Services were actually purchased pursuant to a five-year term at the time of subscription to this Contract Offer.

(C) Inclusion of Additional Contributory Services

Not withstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 33.70.4. The Customer must provide written notice to the Telephone Company of its wish to exercise this option. If any additional Contributory Services are ATM or Frame Relay services, those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site: https://primeaccess.att.com (T)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) Inclusion of Additional Contributory Services (Cont'd)

Example Year 1 MARC = $12.0M If during Year 1, Customer wishes to include $2M of annual spend currently purchased from the Telephone Company under another tariff or contract and if those services qualify as Contributory Services, the new Year 1 MARC is $14.0M.

(D) MARC Adjustments

The Customer may exercise the following adjustments to the MARC pursuant to the terms listed below:

(1) Option 1 - The Customer may, at its option, adjust the MARC downward by up to 10%. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date upon which the adjustment is to become effective.

(2) Option 2 - The Customer may carry over a shortfall of no more than 5% into the next contract year. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date upon which the adjustment is to become effective. If the Customer opts to carry over a shortfall, the Customer's next year MARC will be increased to reflect that shortfall amount. If at the end of the subsequent contract year, the Customer does not meet its MARC, the Customer must make a shortfall payment sufficient to achieve that year's MARC or will be subject to termination liabilities as outlined in Section 33.70.4(E). This option cannot be combined with the MARC adjustment option as described in Section 33.70.4(D)(1)..

The MARC adjustment shall apply prospectively only. If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 33.70.9, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated, provided the Eligibility Criteria in Section 33.70.2 and Terms and Conditions in Section 33.70.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 33.70.5.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 - Special Access Service Offer (Cont'd)

33.70.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(E) Failure to Achieve the MARC

The Customer and the Telephone Company shall exchange information annually, and shall meet annually if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date. If the Customer fails to achieve the annual MARC Commitment as of the anniversary date, the Customer will be notified by the Telephone Company and will be required to remit an Annual True-up payment to reach the MARC commitment. The True-up calculation will be performed as follows:

Annual MARC - Actual Annual recurring revenues for Subject Services = Annual True-up Amount

If the Customer fails to submit its Annual True-Up payment to the Telephone Company within 30 days after notification from the Telephone Company, the Customer shall be deemed to have terminated its Contract Offer No. 70, and termination charges will apply as set forth in Section 33.70.11.

33.70.5 Discounts and Other Credits

(A) Discount Schedule and Application

On each anniversary date, the customer shall be eligible to receive the following Billing Credit, as set forth in Table A, subject to the Customer's compliance with all terms and conditions of this Contract Offer. Credits will be applied to the Customer's bill no later than 90 days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer, unless and until those Contributory Subject Services have been added to this Contract Offer pursuant to Sections 33.70.2, 33.70.4, 33.70.9 and 33.70.10.

Table A

MARC Level	Billing Credit
$12,000,000	2.00%
$14,000,000	3.00%
$15,125,000	3.50%
$16,000,000	4.00%
$17,000,000	4.50%
$18,000,000	5.00%
$19,000,000	5.50%
$20,000,000	6.00%
$21,000,000	7.50%
$21,010,000	0%

MARC levels will be rounded up or down to the nearest $10,000.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

Example: If the Customer meets the minimum MARC of $12,000,000 for sum of all Contributory Services and has Subject Services revenue of $9,584,000. The Customer will be eligible to receive a credit of $191,681.

$9,854,000 X 2% = $191,680

(B) First Year Credit

If at the end of the Year 1 of this Contract Offer, the Customer's MARC for Year 2 is $15.125M or higher, the Customer will receive an additional credit of 2.78 percent of Subject Services applied to the Customer's bill no later than 90 days after the anniversary date for Year 1.

Example: If the Customer reaches the MARC level of $15.125M at the end of year 1 for the sum of all Contributory Services and has Subject Services revenue of $11,230,000. The Customer will be eligible to receive a credit of $312,194.

$11,230,000 X 2.78% = $312,194

33.70.6 Incentives

(A) Purchase of New Contributory Subject Services

During the Contract Term period of subscription to this Contract Offer, the Telephone Company will calculate the billed revenue as described in Section 33.70.4 (B), of new eligible Subject Services towards meeting the MARC on the first contract anniversary date, the beginning of the second year of the Contract term period, and such revenue will be will be increased by 15 percent under this Contract Offer.

Example: Assume that the Customer's total monthly billed recurring revenues for new [1] services during the first Contract Term Year Period was $1,000,000 ($1M). The Telephone Company will calculate the billed revenue for new Contributory Subject Services on the first Contract anniversary date for purchases made during such period and the Customer shall be deemed to have purchased $1,150,000 ($1.15M) in Contributory Subject Services. In subsequent years, these [1] services would count as $1,000,000 ($1M) toward MARC calculations. The calculation to determine if the Customer met the MARC requirements will be: (D)

(New Subject Services purchased during the first contract year multiplied by 1.15) + Existing Contributory Subject Services = Total value of Contributory Subject Services.

[1] See footnote (1) on page 33-635

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.6 Incentives (Cont'd)

(A) Purchase of New Contributory Subject Services (Cont'd)

This total value of Contributory Subject Services will then determine if the Customer meets the MARC as described in Section 33.70.4 and/or has earned any incentive credits as described in Section 33.70. 5.

Purchase of the aforementioned new Subject Services in Year 2, 3, 4 and 5 of this Contract Offer will not receive the increased value towards meeting the MARC.

Example: Assume that the Customer's total monthly billed recurring revenues for new [1] services during (D)
the second Contract Term Year Period was $1,000,000 ($1M). The Telephone Company will calculate the billed revenue for new Contributory Subject Services on the second contract anniversary date, the beginning of the third year of the Contract Term period, for purchases made during the second year and the Customer shall be deemed to have purchased $1,150,000 ($1.0M) in Contributory Subject Services toward MARC calculations. The calculation to determine if the Customer met the MARC requirements will be:

New Subject Services purchased multipled by 15 percent + Existing Contributory Subject Services (prior year one purchases plus existing subject services)= Total value of Contributory Subject Services.

The increase value of new eligible services shall be used only to determine attainment of the MARC, and not for any other purposes. If the Customer fails to meet the MARC requirements as stated in section 33.70.4 after such calculation as described above, the Customer will be subject to the true-up provision as stated in Section 33. 70.4 (E)

For purposes of this Contract Offer, a new [1] service (D)
must meet one of the following criteria:

(1) Newly ordered and provisioned during the first year of the Contract Term period by the customer under this Contract Offer; or

(2) Upgrade of an existing Special Access service during the first year of the Contract Period that was not previously a [1] (e.g., upgrade of a DS1 or (D)
DS3 to a [1] service) under the provisions set forth (D)
in other sections of this tariff.

[1] See footnote (1) on page 33-635

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.6 Incentives (Cont'd)

(B) Conversion of DS1 or DS3 capacity loops:
For customers who subscribe to this Contract Tariff No. 70 and convert their DS1 or DS3 capacity loops, dedicated transport, or Expanded Extended Loops (**EELs**) provided by the Telephone Company as unbundled network elements (**UNEs**) to Special Access Service, the Telephone Company will multiply the customer's billed revenue associated with such converted UNEs by 1.50 in the year of conversion towards the attainment of the MARC. The converted services in subsequent years will not receive the billed revenue multiplier towards the attainment of the MARC. This multiplier shall be used only to determine the billed revenue for Qualifying Services for purposes of MARC attainment, and not for any other purpose. The Customer shall provide a detailed list of circuits that have been converted to the Telephone Company within 30 days after the contract anniversary year for verification.

For example, if the customer converts $1,000,000 ($1M) in UNEs to Special Access Services during the first Annual Contract Term Period of this Contract Tariff No. 70, then, in calculating billed revenue for Qualifying Services, the customer shall be deemed to have purchased $1,500,000 ($1.50M) in Special Access DS1 Services for purposes of calculating the billed revenue for Qualifying Services for meeting the MARC as described in section 33.70.4. In subsequent years, the converted UNE services would count as $1,000,000 ($1M) towards MARC calculations.

33.70.7 Non-Recurring Charges

The Telephone Company will waive installation non-recurring charges (NRCs) associated with the conversion of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In addition, the Telephone Company will waive Non-recurring charges (NRCs) associated with the conversion of existing UNE circuits which are converted to Special Access Services under the terms of this contract tariff offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

To receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 33.70.4 (A) and/or fails to pay the Annual True-Up as defined in Section 33.70.4 (E), termination liability charges will apply as set forth in Section 33.70.11.

The Customer must pay all other applicable non-recurring charges, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in PBTC F.C.C. No. 1, Section 5.2.2 for Subject Services pursuant to this Contract Offer. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont')

33.70.8 Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) The Customer must be in compliance with all terms and conditions of this Contract Offer.
(2) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 33.70.2 (B).
(3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date. (D)
(4) DS3, [1] and [1] Services must have been in service for a minimum of one (1) year from the original installation date. (D)
(5) [1], [1] and [1] Services must have been in service for a minimum of three (3) years from the original installation date. (D)

(D)
If, and to the extent that [1] becomes eligible for pricing flexibility, [1] may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such [1] service shall be eligible for portability provided that, for each [1] circuit to be ported: (D) (D) (D) (D)

(a) facilities necessary to provide [1], as specified in F.C.C. No. 1, Section [1], exist at the end user location in which the circuit is being moved; and
(b) the circuit has been in service for a minimum of one (1) year from the original installation date.

33.70.9 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 70 shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 33.70.4.

[1] See footnote (1) on page 33-635

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.9 Mergers and Acquisitions Involving the Customer

(A) (Cont'd)

(1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 33.70.2 and 33.70.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have an option (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise this option in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the calculation of the MARC Section 33.70.4, nor will such revenues be eligible for any discounts provided under this Contract Offer.

(4) The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(5) If the Customer has selected, but not yet fully implemented, the option provided herein, the MARC, and any MARC adjustment calculation as provided in Section 33.70.4, will apply only to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition.

(N)

(6) The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.9 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

(7) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer elects the provisions in this subsection, in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 33.70.5 (A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented the provision in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 33.70.5(A)(2) for recurring annual revenue above the new combined MARC.

Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply.

(B) Option 1

(i) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(ii) The Customer must exercise this option within 60 days following the Transaction Close Date. (N)

(iii) This option is not available in Year 5 of the Term Period.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.10 Merger or Acquisition Involving the Telephone Company

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 33.70.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.11 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7. If the Customer terminates Contract Offer No. 70 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 33.70.2, or fails to meet any of the Terms and Conditions in Section 33.70.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 70 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Section 2.4.1.

The Customer's termination liability charge shall be equal to the following: If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 70 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.
(2) If terminated in Year 2, 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.
(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.
(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5
(5) If terminated in Year 5, 10% of the Year 5 MARC for the remaining portion of Year 5.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.70 Contract Offer No. 70 – Special Access Service Offer (Cont'd)

33.70.11 Termination Liability (Cont'd)

(B) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(C) This Section 33.70.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 70, except for charges due and payable for Contributory Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 33.70.11. (N)

33. Pricing Flexibility Contract Offerings

33.71 Contract Offer No. 71– Special Access Service Offer

33.71.1 General Description

Special Access Service Offer is an access discount plan for DS1, DS3, [1], Dedicated SONET Ring Services (DSRS), and [1] Services(Contract Offer No. 71), for which subscription is required in the following SBC Companies: Ameritech Operating Companies (Ameritech); The Southern New England Telephone Company (SNET); Pacific Bell Telephone Company (PBTC); and Southwestern Bell Telephone Company (SWBT). Contract Offer No. 71 is available to any Customer with at least $ 2,000,000 in cumulative annual revenue for Subject Services as described in Section 33.71.2 for the above mentioned SBC Companies. Customer must meet the eligibility criteria set forth in Section 33.71.3 and also must comply with the terms and conditions as described in Section 33.71.4. This contract offering is available in the MSAs listed in Section 33.71.3. (D)

Contract Offer No. 71 requires that the Customer maintain a Minimum Annual Revenue Commitment (MARC) for each year of the three (3) year Term Period. In the event the Customer does not meet the MARC as of each anniversary date of each term year, the Customer must remit the shortfall payment as set forth in Section 33.71.5. Notwithstanding the obligation to pay such shortfall, if the Customer does not comply with Section 33.71.5, Termination Liability Charges in accordance with Section 33.71.8 shall apply.

Contract Offer No. 71 is only available for subscription September 7, 2005 through October 7, 2005. This offer is not renewable.

[1] Material previously contained in this section has been deleted. GigaMAN and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 71 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.2 Subject Services Available Under Contract Offer No. 71

Contract Offer No. 71 applies to pricing-flexibility-qualified access services (Hereafter referred to as Subject Services) contained in the following tariff sections:

(1) High Capacity DS1 and DS3 Special Access Services – Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.2.9
(2) [1] (D)
(3) Dedicated SONET Ring and Access Services - Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 7.2.11
(4) [1] (D)

All terms and conditions for the Subject Services listed above are governed by their respective tariff sections except where provision of this Contract Offer No. 71 conflict with such respective tariff sections, in which case the provisions provided herein shall prevail.

33.71.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive discounts for the purchase of Subject Services pursuant to Contract Offer No. 71:

(1) Service must be a pricing-flexibility-qualified access service described in Section 33.71.2.

(2) Services must be located in the following Pricing Flexibility Qualified MSAs:

Bakersfield CA, Fresno CA, Los Angeles/Long Beach CA, Modesto CA, Oxnard/Ventura CA, Sacramento CA, San Diego CA, San Francisco/Oakland CA, San Jose CA, Santa Rosa CA, Stockton CA

[1] See footnote (1) on page 33-651

33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.3 Eligibility Criteria

(A) (Cont'd)

(3) Customer must have a minimum of $2,000,000 in cumulative annual revenue for Subject Services in the following SBC Companies: Ameritech Operating Companies (Ameritech); The Southern New England Telephone Company (SNET); Pacific Bell Telephone Company (PBTC); and Southwestern Bell Telephone Company (SWBT).

(4) Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 71 pursuant to the following tariffs:

(a) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 80

(b) SNET Tariff F.C.C. No. 39, Section 25, Contract offer No. 21

(c) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 59

33.71.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Customer submits the completed Letter of Subscription to the Telephone Company. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in PBTC Tariff F.C.C. No. 1 Sections 7and 32 for DS1, DS3, [1], DSRS, and [1] Service. (D) (D)

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the PBTC Tariff F.C.C. No. 1, Sections 7 and [1], Subject Services will be converted to the prevailing applicable monthly tariff rates. (D)

[1] See footnote (1) on page 33-651

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.4 Terms and Conditions

(A) Term Period (Cont'd)

Rate stability under Contract Offer No. XX applies only to the rates specific to this Contract Offer as outlined in Section 33.XX.6. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of the Pacific Bell Telephone Company F.C.C. Tariff No. 1, as set forth in Section 2-General Regulations, Section 5-Ordering Options, and Section 13 Additional Engineering, Additional Labor, and Miscellaneous Service as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in this Contract Offer.

(B) Contract Offer No. 71 is only available September 7, 2005, through October 7, 2005;

(C) In order to subscribe to Contract Offer No. 71, Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) Subject Services to which the Customer already subscribes as of the commencement of the Term Period, shall adhere to the Terms and Conditions of this Contract Offer and shall receive the discounted rates described in Section 33.71.6.

(E) Subject Services in Section 33.71.2 purchased after the commencement of the Term Period and on completion of the access service order, shall become fully subject to the Terms and Conditions of this Contract Offer and shall thereafter receive the discounted rates described in Section 33.71.6.

(F) Customer must subscribe to the services available under this Contract Offer in accordance with the regulations set forth in Section 5 – Ordering Options; (N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.4 Terms and Conditions (Cont'd)

(G) Subject to the provisions of Section 33.71.7, DS1 and DS3 Portability, if the Customer terminates any Subject Services during the Term Period, termination liability charges shall apply in accordance with Section 33.71.8;

(H) If the Customer requests additional service features and functions not included in 33.71.6, the Customer must pay the applicable tariff rates for those additions as contained in Section 31 – Metropolitan Statistical Area Access Services;

(I) The Customer cannot subscribe to or include Subject Services subscribed to under this Contract Offer in any other contract offering;

(J) Subject Services under this Contract Offer will not be eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 33.

(K) The Customer must be current on undisputed billing for existing services within 60 days after subscribing to this Contract Offer, and must remain current on all undisputed charges throughout the Term Period.

33.71.5 Minimum Annual Revenue Commitment (MARC)

(A) Establishing and Maintaining the MARC

The Customer must maintain a Minimum Annual Revenue Commitment (MARC) of $2,000,000 for each year of the three year term period for Subject Services as described in Section 33.71.2. The MARC for the first year of the Term Period (Year 1) will be established when the Telephone Company receives the Letter of Subscription from the Customer. For the purposes of calculating the Year 1 MARC, recurring annual revenue for all existing Subject Services pursuant to this Contract Offer shall be included in the calculation of the Year 1 MARC.

(B) Annual True-Up

The Customer's Year 1 MARC shall be $2,000,000 as determined upon completion of the LOS. The MARC for Years 2 and 3 will be reviewed and re-established at $2,000,000 on annual basis, effective on the Contract anniversary dates.

In the event the Customer does not meet the MARC as of each anniversary date of each term year, the Customer must pay the shortfall payment, as described in 33.71.5(C) below.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) Failure to Achieve the MARC

If the Customer fails to achieve the annual MARC at the end of each 12 months of the contract term period, the Customer must pay the difference between the Annual MARC for the current term year and the actual recurring annual revenue for the Subject Services. The Customer will be notified by the Telephone Company and will be required to remit a shortfall payment to reach the MARC.

The true-up calculation will be performed as follows:
Annual MARC ($ 2,000,000.00) - Actual Annual recurring revenues for Subject Services as described in Section 33.71.5 (A) = Annual True-Up Amount

If the Telephone Company does not receive the shortfall payment amount within 30 days of its notification, the Customer is deemed to have terminated its Contract Offer No.71 and termination liability charges will apply as set forth in Section 33.71.8.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.6 Rates and Charges

A) Monthly Recurring Charges

The tables below contain the discounted rates for this Contract Offer. The Customer must pay the following Monthly Recurring Charge (MRC) for the Subject Services as described in Section 33.71.2.

High Capacity DS1 Service	**Monthly Rate Per Circuit**
(1) Channel Termination – 0 miles	$113.00
(1) Channel Termination with 1-10 miles	$185.00
(1) Channel Terminations with 11-20 miles	$225.00
(1) Channel Termination with over 20 miles	$225.00
** plus $7 for each mile over 20 miles	

High Capacity DS3 Service	**Monthly Rate Per Element**
Channel Termination – Z3MA+ – per pt of term.	$775.00
Channel Mileage - FIXED – 1L5XX	$232.75
Channel Mileage – PER MILE – 1L5XX	$25.00
Multiplexing – DS3 to DS1 – MQ3	$427.50

		Monthly Rate Per Element		
(1)	**USOC**	(1)	(1)	(1)
(1)				
(1)				
(1)				
(1)				
(1)				
(1)				
(1)				
(1)				
(1)				
(1)				

(D)

(D)

Dedicated SONET RING Service (DSRS) – OC-48	**USOC**	**Monthly Rate**
NODE – Central Office Node - OC48	FC5EX	$3,249.50
NODE - Customer Premises Node – OC-48	FP5EX	$4,122.50
C.O. Access Port – OC-12/STS-12 (622 mbps)	FC6ZX	$1,455.00
Premises Access Port – OC-12/STS-12 (622 mbps)	FP6TX	$1,455.00
C.O. Access Port – OC3/3c to OC48 (155 mbps)	FC6UX	$388.00
Customer Premises Port – OC3/3c to OC48 (155 mbps)	FP6OX	$378.30
C.O. Access Port – STS1/DS3 (51 mbps)	FC6YX	$121.25
Customer Premises Port – STS1/DS3 (51 mbps)	FP6BX	$130.95
Dedicated Ring – Interoffice per C.O. node to C.O. node - OC48	FECFX	$1,261.00
(1)	**USOC**	**Monthly Rate**
(1)		
(1)		
(1)		

(D)
(D)
(D)
(D)
(D)

(1) See footnote (1) on page 33-651

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.6 Rates and Charges (Cont'd)

(B) Non-Recurring Charges

(1) The Telephone Company shall waive the following Non-Recurring Charges associated with the purchase of qualifying DS1 and DS3 Services subscribed to this Contract Offer:

(a) Administrative Charge per order
(b) Design and Central Office Connection Charge per Circuit
(c) Customer Connection Charge per termination

(2) Non-Recurring Charges and/or Special Construction Charges may apply to new installations of [1], DSRS, (D)
and [1] Service subscribed to this Contract Offer (D)
based on the cost of the Telephone Company to provide the new service.

33.71.7 DS1 and DS3 Portability

(A) DS1 Portability shall be provided as follows:

The Telephone Company shall credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the term of Contract Offer No. 71 as long as the DS1 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 33.71.3 and terms and conditions in Section 33.71.4 have been met. The in-service period is calculated from the date the circuit is installed, which may be earlier than the date the Term Period of Contract Offer No. 71 begins.

(B) DS3 Portability shall be provided as follows:

The Telephone Company will credit the Customer paid early termination liability charges for the disconnection or move of DS3s in each year throughout the term of Contract Offer No. 71, provided that the eligibility criteria in Section 33.71.3 and terms and conditions in Section 33.71.4 have been met. The number of DS3 circuits disconnected or moved each year without termination liability charge is not to exceed 10% of DS3 circuits in place at the beginning of each year of the term period. Disconnects or moves in excess of 10% will incur early termination liability charges in accordance with the termination liability described in Section 33.71.8.

[1] See footnote (1) on page 33-651

33. Pricing Flexibility Contract Offerings (Cont'd)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.8 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Sections 7 and [1]. If the Customer terminates Subject Services under this Contract or terminates the Contract Offer in its entirety before the completion of the term period for any reason, the Customer must pay the Telephone Company termination charges as described in this section. These charges shall become due as of the effective date of the termination of service. The Customer must provide written notification to the Telephone Company 30 days prior to the desired date of termination of the Subject Services pursuant to this Contract Offer. (D)

If the Customer fails to meet any of the eligibility criteria in Section 33.71.3, or fails to meet any of the Terms and Conditions in Section 33.71.4, the Customer will be deemed to have terminated services under this Contract Offer and Termination Liability is payable.

(A) Customer terminates a Subject Service:

If the Customer terminates a Subject Service before the completion of the term period, the Customer's termination liability charge for termination of service shall be equal to:

50% of the monthly charges on the unexpired portion of the three (3) year term.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in term) multiplied by (termination liability percentage of 50%).

Example: The Customer terminates service on a DS3 with a $ 1202.50 monthly charge after thirty (30) months of service and has six (6) months remaining in the thirty-six (36) month term. The termination liability would be calculated as:

$1202.50 X 6 X .50 = $ 3607.50 termination liability charge.

[1] See footnote (1) on page 33-651

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.71 Contract Offer No. 71– Special Access Service Offer (Cont'd)

33.71.8 Termination Liability (Cont'd)

(B) Customer terminates Contract Offer

If the Customer terminates this Contract Offer before the completion of the term period, the Customer's termination liability charges for termination of the contract shall be equal to:

The difference between the Actual Current Annual Recurring Revenue for Subject Services and the annual MARC at the time of termination, plus 50% of the annual MARC at the time of termination for each subsequent year remaining in the term period.

(Annual MARC – Annual Current Recurring Revenue) + 50% (Annual MARC x years remaining) = termination liability.

Example: the Customer terminates the contract in Year 2 and Customer has 1 year remaining in a 3 year term period. Customer's annual MARC at time of termination is $2,000,000 and actual recurring revenue is $1,500,000. The Termination liability charge will be as follows:

($2,000,000 – 1,500,000) + (50% 0f $2,000,000 x 1) = (N)
$1,500,000 termination liability charge.

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33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 72 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-661

33. [1] (D)

[1] See footnote (1) on page 33-661

33. [1] (D)

[1] See footnote (1) on page 33-661

33. [1] (D)

[1] See footnote (1) on page 33-661

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings

33.73 Contract Offer No. 73– OC-48 SONET Ring and Access Service Offer

33.73.1 General Description

OC-48 SONET Ring and Access Service (SRAS) Offer is an access discount plan that permits customers located in Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) to pay the rates in Section 33.73.5 for OC-48 SRAS that meet the eligibility criteria described in Section 33.73.3 below. This Contract Offer is available in the Sacramento, CA MSA.

Contract Offer No. 73 is only available for subscription September 27, 2005 through October 27, 2005. This offer is not renewable.

33.73.2 Subject Services

Contract Offer No. 73 applies to pricing flexibility qualified access service (Hereafter referred to as Subject Service)contained in the following tariff section:

Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 7.2.11.

All terms and conditions for the Subject Service listed above are governed by their respective tariff sections except where provisions of this Contract Offer No. 73 conflict with such respective tariff sections, in which case the provisions provided herein shall prevail.

33.73.3 Eligibility Criteria

The following eligibility criteria must be met in order to receive Contract Offer No. 73:

(1)Service must be a Subject Service listed in Section 33.73.2

(2)Service must be located in the Sacramento, CA MSA.

(3)Service must be for a new installation.

(N)

ACCESS SERVCIE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.73 Contract Offer No. 73– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.73.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3)years commencing on the date the service installation is completed. Billing commences no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

If, at the expiration of the Customer's contract Term Period, the Customer elects to continue service, Customer shall select from payment options in Section 31.5.2. for the OC-48 SRAS service. If the Customer does not elect to continue service pursuant to Contract Offer No. 73, the Customer can terminate service at the conclusion of the service Term Period.

Contract Offer No 73 is also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options for Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the terms and conditions described in this Contract Offer.

Rate stability under Contract Offer No. 73 applies only to the rates specific to this Contract Offer as outlined in Section 33.73.5.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.73 Contract Offer No. 73– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.73.4 Terms and Conditions (Cont'd)

(B) Contract Offer No. 73 is only available September 27, 2005, through October 27, 2005;

(C) Contract Offer No. 73 discounted rates, as described in Section 33.73.5, must be for a new OC-48 SRAS;

(D) In order to subscribe to Contract Offer No. 73, Customer must submit a Letter of Subscription (LOS) to the Telephone Company;

(E) If the Customer should discontinue service under Contract Offer No. 73 during the Term Period, termination liability charges will apply in accordance with Section 33.73.7;

(F) Customer must subscribe to the services available under this Contract Offer No. 73 in accordance with the regulations set forth in Section 5 – Ordering Options;

(G) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(H) If the Customer requests additional service features and functions not included in Section 33.73.5 herein, the Customer will pay the tariff rates for those additions as contained in Section 31-Metropolitan Statistical Area Access Services;

(I) The Customer will not be able to subscribe to any other contract offering in Section 33 in conjunction with Contract Offer No. 73 that might be offered by the Telephone Company now or in the future for services covered under this Contract Offer 73;

(J) Subject Service under this Contract Offer will not be eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 22. This Contract Offer No. 73 cannot be combined with any other promotion, contract, or discount offer; and

(K) Commingling, as defined in F.C.C. Tariff No. 1 Section 2.6 is prohibited.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.73 Contract Offer No. 73– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.73.5 Rates and Charges

(A) Customer must pay the following Monthly Recurring Charges (MRC)and Non-Recurring Charges(NRC)in Table A for the OC-48 SONET Ring and Access Service; and

(B) Customer must pay Non-Recurring charges, if applicable, as described in Table A below

Table A

Rate Description	**USOC**	**Qty**	**UNIT PRICE**	**MRC**	**NRC**
NODE– C.O. NODE FOR DED RING OC-48	FH5XC	1	$4227.00	$4227.00	$ 0.00
NODE– PREMISES NODE FOR DED RING OC-48	FP5XC	5	$4940.00	$24,700.00	$ 0.00
PREM ACCESS PORT – OC3/C (155 MBPS)	FP6OX	1	$460.00	$460.00	$ 0.00
PREM ACCESS PORT– (DS3)	FP6BX	25	$207.00	$5175.00	$ 0.00
PREM ACCESS PORT ADD'L CONNECTION FOR 2.4 GBPS (OC-48)	FP6EA	1	$1485.00	$1485.00	$ 0.00
C.O. ACCESS PORT -51 MPBS STS1/DS1	FC64X	10	$585.00	$5850.00	$ 0.00
DEDICATED RING FEE – ALT WIRE CENTER – CO NODE TO PREM NODE	FECAX	4	$1990.00	$7960.00	$ 0.00
DEDICATED RING FEE – LOCAL LOOP	FECLX	1	$1368.00	$1368.00	$ 0.00
Total MRC and NRC				$51,225.00	$0.00

33.73.6 Technology Upgrade

As long as the Customer meets the eligibility criteria in Section 33.73.3 and the Terms and Conditions in Section 33.73.4, the Customer may purchase service which offers features based on upgraded technology from the Telephone Company to replace the Subject Service listed in Section 33.73.2. Once eligibility is determined, the Telephone Company shall waive termination liability for this Contract Offer, provided that the desired upgraded technology meets the following conditions:

(A) Is comparable to existing Subject Service;

(B) Provides substantially the same functionality as the existing Subject Service; and

(C) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.73 Contract Offer No. 73– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.73.7 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Tariff F.C.C. No. 1, Section 7. If the Customer terminates Subject Service before the completion of the Term Period for any reason, except as noted herein, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the terms and conditions of this Contract Offer. These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described below.

The Customer's termination liability charges shall be equal to:

50% of all recurring charges for the balance of Customer's three (3)year term.

The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $ 20,000.00 monthly rate terminates service after 26 months and has 10 months remaining in a three year term plan. The termination liability would be calculated as:

$20,000.00 X 10 X 50% = $100,000.00 termination liability charge.

(N)

33. Pricing Flexibility Contract Offerings

33.74 Contract Offering No. 74 – Access Discount Offer

33.74.1 General Description

Contract Offer No. 74 – Access Discount Offer is an access discount plan for which subscription is required to the following access tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, and Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1. To be eligible for discounts under this Contract Offer, the Customer must meet the Eligibility Criteria set forth in Section 33.74.2, and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 74 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 33.74.6 following. The TRC shall include all Contributory Services subject to this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 33.74.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 33.74.5, Table 4, herein. Contributory Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described in Section 33.74.5 must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any Frame Relay Contributory Services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the web site established to make public any agreements for these services. Customers may reference https://primeaccess.att.com. (T)

In the event the Customer does not meet its monthly TRC amount, the Customer must remit the shortfall payment via the Monthly True-Up process set forth in Section 33.74.6. If the Customer does not meet the total TRC amount at the end of each Contract Year of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 33.74.8. If the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of the terms and conditions of non-tariffed agreements referenced herein) and cure any non-compliance within the cure period set forth in Section 33.74.13 (A) of this Contract Offer, termination liability charges, in accordance with Section 33.74.13, will apply. Contract Offer No. 74 will be available only from November 19, 2005 through December 19, 2005.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.2 Eligibility Criteria (N)

The following eligibility criteria must be met to subscribe to Contract Offer No. 74: (Nx)

(A) Managed Value Plan (MVP) Subscription

(1) At the time of subscription to this Contract Offer, the Customer must be, or have been, a participant under MVP agreements within the last 90 days, pursuant to:

(a) SWBT Tariff F.C.C. No. 73, Section 38;
(b) Ameritech Tariff F.C.C. No. 2, Section 19; and
(c) Pacific Bell Tariff F.C.C. No. 1, Section 22. (Nx)

(2) The Customer must maintain eligibility under all MVP agreements until they expire. (N)

(3) All such MVP agreements must expire in 2005.

(B) As of December 1, 2005, the Customer must have billed revenue from Contributory Services, as listed in Section 33.74.5, net of all discounts, credits, and adjustments equal to or greater than 86.5 percent of the Customer's Gross Spend (as defined in Section 33.74.6) for the calendar year 2004, rounded to the nearest million, times 11/12's; or, if the Customer's Gross Spend as of December 1, 2005 is less than that amount, the Customer must pay the Telephone Company, or any of its affiliated telephone companies as described in Section 33.74.2(C), an additional amount sufficient to make up the shortfall from that amount, no later than 60 days after December 1, 2005.

(C) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 74 pursuant to the following tariffs: (N) (Nx)

(1) NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 5;
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 90;
(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 22; and
(4) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 66.

Breach, cancellation or termination of any of these Contract Offers after the expiration of any cure provisions described in this Contract Offer, shall constitute a breach, cancellation or termination of all of these Contract Offers. (Nx) (N)

(D) Discounts applied under Contract Offer No. 74 are applicable for Contributory Subject Services located in MSAs as listed in Tariff F.C.C. No. 1, Section 31.

(x) Issued under Authority of Special Permission No. 05-060 of F.C.C. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.3 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) will begin on December 1, 2005 and end on December 31, 2007, upon submission of a signed Letter of Subscription.

(B) Terms and Conditions

(1) The Customer must establish and maintain a TRC as described in Section 33.74.6.

(2) A True-up will take place each month during the Term Period and annually at the end of each Contract Year, as defined in Section 33.74.6.

(a) With respect to each month's billing, the monthly true-up will include all qualified billing from Contributory Services, as described in 33.74.6(B), and will take place no later than 60 days after the end of the month, as described in Section 33.74.8,

(b) With respect to each Contract Year's billing, the annual true-up will include all qualified billing from Contributory Services, as described in Section 33.74.6, and will take place no later than 60 days after December 31, as described in 33.74.8,.

(3) MVP credits will continue to apply, if applicable, as described in Tariff F.C.C. No. 1, Section 22 until expiration of the MVP agreement. The MVP MATA process will take place as described in Tariff F.C.C. No. 1, Section 22.3.

(4) Contract Offer No. 74 is available for subscription only from November 19, 2005 through December 19, 2005.

(5) Any Customer-requested transfer of services purchased from SBC non-wholesale entities or channels, or purchased by the Customer under a different Access Customer Name Abbreviation (ACNA) than those identified at time of subscription, will require an equivalent increase in the Customer's TRC commitment based on the amount of revenue associated with the transferred services. The Customer's maximum Basic Credit amount will not change as a result of this transfer.

(6) Any conversion of UNE or equivalent offerings to Contributory Subject Services, subject to this Contract Offer, will result in an increase in the TRC commitment equal to the revenue associated with those Contributory Subject Services and according to the rates that would apply to those Contributory Subject Services under this Contract Offer. This increase will apply to the TRC each subsequent year of the Term Period.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 - Access Discount Offer (Cont'd)

33.74.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) The Customer will be eligible to subscribe to contract offers in Section 33 (or any successor section) filed after Contract Offer No. 74, in combination with this Contract offer, unless such contract offer states that it may not be combined with other contract offers, or as long as such contract offers do not reduce the TRC under this Contract Offer and the Customer qualifies for, and adheres to the terms, conditions and eligibility requirements of the other contract offer.

(a) If the Customer has subscribed to any other contract offer and chooses to terminate the other contract offer for purposes of subscribing to this Contract Offer, any termination liabilities provided in the other contract offer will apply according to the terms of the other contract offer.

(b) If the Customer purchases Contributory Subject Services pursuant to another contract offer, in addition to this Contract Offer No. 74, the Customer will not be eligible to earn Achievement Credits with respect to any charges that apply under the other contract offer.

(c) If the Customer purchases Contributory Services pursuant to another contract offer that states it may not be combined with other contract offers, the Contributory Services purchased under the other contract offer will not count toward achievement of Gross Spend or TRC under this Contract Offer.

(8) The Customer may choose to remove from this Contract Offer services provided under one or more Access Customer Name Abbreviations (ACNA's) without liability; however, the TRC commitment will not be reduced and the Access Service Ratio under Contract Offer No. 74 will continue to apply.

(9) Terms and Conditions for Contributory Subject Services, pursuant to other contract offers the Customer is currently subscribed to at the time of subscription to this Contract Offer, shall continue to apply to those Contributory Subject Services covered under the other contract offers.

(10) Contributory Services continue to be governed by the otherwise applicable rates, terms and conditions provided in Tariff F.C.C. No. 1 (including MVP provisions with respect to services subject to MVP for so long as the Customer's MVP subscription remains in effect) except as noted herein.

(11) The Customer must subscribe to the services available under this Contract Offer in accordance with the regulations set forth in Section 5 - Ordering Options.

(12) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company as described in Section 33.74.3(A).

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(13) The Customer must maintain an Access Service Ratio equal to or greater than 95 percent, except as described in Section 33.74.11 (B). The Access Service Ratio is defined in Section 33.74.4, and will be measured monthly.

(14) Commingling, as defined in Tariff F.C.C. No. 1, Section 2.6, of Subject Services under this Contract Offer, is prohibited.

(15) The Customer shall be permitted to Groom Contributory Subject Services subject to this Contract Offer as provided in this Section. Grooming is defined as moving, rearranging, or rolling over circuits subject to this Contract Offer without disconnecting the end user locations of those circuits. During Contract Years 2 and 3 (and during Years 4 and 5, if the Customer has exercised extension options), the Customer shall be permitted to Groom up to 9,000 circuits subject to this Contract Offer per year. The sum of all circuits groomed under the individual contract offers listed in Section 33.74.2 (C) cannot exceed 9,000. Grooms shall be scheduled and managed on a monthly basis according to the otherwise applicable operational methods and procedures.

(16) The Customer must remit bill payments as described in F.C.C. No. 1 Section 2.4 for all Contributory Services via electronic payment process. The Telephone Company will provide Customer with written notice if Customer fails to comply with the requirement. The Customer will have fifteen (15) business days from receipt of such written notice to comply. If the Customer does not comply, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination of any of the Contract Offers, as described in Section 33.74.2 (C), termination liability charges, as set forth in Section 33.74.13, will apply. Credits, if applicable, will not be issued until the Customer has paid all billed charges.

(17) If the Customer discontinues service under Contract Offer No. 74 during the Contract Period, termination liability charges will apply in accordance with Section 33.74.13.

(18) The Customer may exercise Contract Offer extension options as described in Section 33.74.9.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.4 Access Service Ratio

(A) As referenced in Section 33.74.4, the Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater, except as described in Section 33.74.11(B) of this Contract Offer. The ratio, calculated monthly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 95 percent, except as provided in Section 33.74.11.

The 95-percent ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer's and its affiliates' current interstate recurring billed revenue associated with the rate elements, as defined in Table 1 below, or comparable interstate access services, from the Telephone Company or its affiliated telephone companies in any of the Contract Offers as described in Section 33.74.2(C):

Table 1:

Service	General/Basic Description
Voice Grade	7.2.3
High Capacity Services	7.2.9
[1]		(D)
[1]		(D)
Dedicated SONET Ring Service	7.2.11(A)(2)

Any shortfall payments remitted to meet the monthly TRC commitment will be included in the Access Revenue calculation for the applicable month.

(2) Wholesale Revenue is the Customer's and its affiliates' recurring billed revenue for associated rate elements, as defined in Table 2 herein, from the Telephone Company or its affiliated telephone companies, in any of the Contract Offers as described in Section 33.74.2 (C) and not included in the interstate or intrastate access tariff(s).

[1] Material previously contained in this section has been deleted. GigaMAN and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 74 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

Table 2 **UNE OR EQUIVALENT OFFERINGS NOT PURCHASED PURSUANT TO THIS AGREEMENT**

Service Level	Associated Rate Elements Not Included in Interstate Tariff
Voice Grade/DS0	**2-wire analog and 2-wire digital loops 2-wire analog and digital transport**
DS1/LTI	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3/LT3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service** (Z)
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

(3) Services purchased pursuant to a Local Wholesale Complete (LWC) Agreement shall not be included in the calculation of the Customer's Access Service Ratio.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(4) As new rate elements are introduced to Table 1 in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio.

(5) As new rate elements are introduced to Table 2 in Section 33.74.4(A)(2), all recurring revenues associated with the new rate elements will automatically be added to the Customer's Annual Wholesale Revenue, as defined in Section 33.74.4(A) preceding, for calculation of the Access Service Ratio.

(6) Except as provided in Section 33.74.11, if the Customer fails to meet the Access Service Ratio in any given month of the Contract Period, upon notification from the Telephone Company as described in Section 33.74.2 (C), the Customer will have ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 95-percent Access Service ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default, and the Telephone Company shall have the right to terminate Contract Offer No. 74. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 33.74.13.

Credits will not be issued for any month the Customer fails to meet the Access Service Ratio as described in Section 33.74.6 following.

33.74.5 Contributory Services

The TRC shall include all Contributory Services purchased from the Telephone Company and its affiliated telephone companies in any of the contract offers, as described in Section 33.74.2 (C), eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 33.74.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 33.74.5, Table 4, herein.

Contributory Subject Services and Contributory Non-Subject Services shall together be known as Contributory Services. Customer's TRC includes revenue from all Contributory Services being provided by the Telephone Company and its affiliated telephone companies in any of the contract offers described in Section 33.74.2 (C), as listed in Table 3 and 4 below.

(A) Contributory Subject Services

Contract Offer No. 74 applies to pricing flexibility qualified access services (referred to as Contributory Subject Services) located in pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Tariff F.C.C. No. 1, Section 31. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3.

(N)

(This page filed under Transmittal No. 263)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.5 Contributory Services (Cont'd)

(B) Contributory Non-Subject Services

Contributory Non-Subject Services (that are not Contributory Subject Services) shall not be eligible for discounts or other incentives provided under this Contract Offer, and are listed in Table 4 below.

Table 3 – CONTRIBUTORY SUBJECT SERVICES

Contributory Subject Services	
Interstate Special Access	VG, DS0, DS1, DS3, [1], [1], SRAS, STN, FGTS, BCS, [1], [1]
Interstate Switched Transport	Entrance Facility, Direct Transport
Includes Recurring and Non-Recurring Charges (including termination charges) associated with the products listed where applicable, except as described in Section 33.74.6 following, for all services located in Pricing Flexibility MSA's.	

Table 4 – CONTRIBUTORY NON-SUBJECT SERVICES

Contributory Non-Subject Services	
Interstate Special Access	VG, DS0, DS1, DS3, [1], [1], SRAS, STN, FGTS, BCS, [1], [1], [1]
Interstate Switched Transport	Entrance Facility, Direct Transport as described in Table 6, following.
Intrastate Special Access	Equivalent services as Interstate Special Access above if available
Intrastate Switched Access	Equivalent services as described in Table 6 following.
Advanced Services	Frame Relay Service
Includes all Recurring and Non-Recurring Charges (including termination charges) associated with the products listed, where applicable, except as described in Section 33.74.6 following, for all non-price flex qualified services.	
Frame Relay services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the web site established to make public any agreements for these services. Customers may reference https://primeaccess.att.com. (T)	

All Terms and Conditions for all Contributory Services are governed by their respective tariff sections.

[1] See footnote (1) on page 33-676

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 - Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC)

The Customer must establish and maintain a Total Revenue Commitment (TRC) as provided in this Contract Offer. Upon subscription, the Customer's TRC will be established, as described in Table 5 below, based on billed revenue from Contributory Services, as listed in Section 33.74.5, net of all discounts, credits, and adjustments as specified in Section 33.74.6(B).

The Contract Year shall be each Calendar Year, or fraction thereof, to which this Contract Offer applies, as described in Table 5 below.

Table 5

Contract Year	2005 (Dec)	2006	2007
TRC equals	86.5% of 2004 Gross Spend described in (A) below, rounded to the nearest million dollars, times 1/12's	2005 TRC times 12 times 89.7%, rounded to the nearest million dollars	2005 TRC times 12 times 83.4%, rounded to the nearest million dollars

(A) Gross Spend shall include all billed revenue for services identified in Section 33.74.6(A), and shall be based on the sum of all of the purchases from the Telephone Company and its affiliated telephone companies, including all of the contract offers as described in Section 33.74.2 (C), as described in Section 33.74.5 preceding, based on billed revenue. The Gross Spend is calculated as billed revenue, prior to the application of MVP discounts, MVP Service Level Agreement (SLA) credits and Discount Value Plan (DVP) credits, but after all other tariff term plan discounts, and other underlying tariff performance credits.

(1) Interstate Special Access recurring charges billed to the Customer associated with services described in Section 33.74.5 Table 3 and 4 preceding.

(2) Interstate Special Access non-recurring charges billed to the Customer (including, but not limited to, items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges), except as noted in 33.74.6(A)(7).

(3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 33.74.5 Table 4 preceding.

(4) Intrastate Special Access non-recurring charges billed to the Customer (including but not limited to items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges), except as noted in 33.74.6 (A) (7).

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(A) (Cont'd)

(5) Interstate Switched Access Dedicated Transport recurring and non-recurring charges (including, but not limited to, items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) billed to the Customer for rate elements in Table 6 below.

Table 6

Service	General Basic Description
Entrance Facilities	Section 6.8.2
Direct Trunk Transport	Section 6.8.2

(6) Intrastate Switched Access Dedicated Transport recurring and non-recurring charges (including, but not limited to, items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) billed to the Customer and remitted for rate elements equivalent to those described in Table 6 above.

(7) Non-recurring charges identified in 33.74.6(A)(2), (4), (5) and (6) exclude Special Construction and unregulated time and materials charges (e.g. Inside Wire, Custom Work Orders, etc.)

(B) Application of Credits

The Customer is eligible to receive two (2) types of credits under this Contract Offer. For the purposes of this Contract Offer, Customer will receive any applicable credits (the Basic Credit and Achievement Credit) through the SBC wholesale sales channel for all of the contract offers as described in Section 33.74.2 (C). The sum of all Basic Credits applicable under the individual contract offers listed in Section 33.74.2 (C) cannot exceed the total maximum Basic Credit described in Table 7 following. Award of the credits described below under this Contract Offer shall satisfy the credit obligations of the Telephone Company and its affiliated telephone companies to the Customer, as described in Section 33.74.2(C).

(1) Basic Credit

The Basic Credit for each Contract Year shall be equal to the Gross Spend of Contributory Services minus the TRC, but not to exceed the Maximum Basic Credit as described in Table 7. This calculation shall be performed at the commencement of the Contract Offer, and the Maximum Basic Credit resulting from these calculations will not change at any time during the Term Period except as described in Section 33.74.11 following. The Customer will receive Basic Credits on Contributory Subject Services on a monthly basis, as provided in Section 33.74.6(B)(1)(b), for each Contract Year and subject to the true-up process described in Section 33.74.8 following.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(a) Calculation of the Basic Credit. To determine the amount of Basic Credit the Customer can achieve, the TRC is multiplied by the applicable percent as described in Table 7 below. This amount, less the TRC, will equal the potential Maximum Basic Credit, rounded to the nearest million. If qualified, award of Basic Credit under this Contract Offer shall satisfy the Basic Credit obligations of the Telephone Company and its affiliated telephone companies.

Table 7

Year	TRC	Maximum Basic Credit Amount
2005	86.5% of 2004 Gross Spend described in (A) below, rounded to the nearest million dollars, times 1/12's	310% of TRC minus the TRC amount, rounded to the nearest million dollars
2006	2005 TRC times 12 times 89.7%, rounded to the nearest million dollars	119.6% of TRC minus the TRC amount, rounded to the nearest million dollars
2007	2005 TRC times 12 times 83.4%, rounded to the nearest million dollars	123.7% of TRC minus the TRC amount, rounded to the nearest million dollars

Example A: The Customer has 2004 Gross Spend of \$121.3M. 86.5 percent of 2004 Gross Spend equals \$105M, rounded to the nearest million.

The 2005 TRC is equal to 1/12th of \$105M. 1/12th of \$105M equals \$8.75M

The eligible total Basic Credit available is;

\$8.75M x 310% = \$27.13M

\$27.13M - \$8.75M = \$18.38M, rounded to the nearest million, equals potential maximum Basic Credits

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(a) (Cont'd)

Example B: The 2006 TRC is equal to 2005 TRC times 12 times 89.7 percent, rounded to the nearest million.

8.75M x 12 x 89.7% = $94.18M, rounded to the nearest million

The eligible total Basic Credit available is;

$94M x 119.6% = $112.42M

$112.42M - $94M = $18.42M, rounded to the nearest million equals maximum Basic Credits

(b) Application of the Maximum Basic Credit

The TRC will be divided evenly across the number of months for each Contract Year ending December 31st, as described below. The resulting monthly average amount will be the Customer's Monthly TRC commitment.

2005 – Contract Year 1 – 1 month
2006 – Contract Year 2 – 12 months
2007 – Contract Year 3 – 12 months

Example:

2005 TRC equal $8.75M

Maximum Basic Credits will be applied to the Customer's Monthly TRC revenue for Contributory Services, as described in Section 33.74 5 preceding, based on the amount above the Monthly TRC commitment, not to exceed the maximum Basic Credit allowed for each Contract Year as described in Table 7 preceding. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(b) Application of the Maximum Basic Credit (Cont'd)

If the Customer exceeds the Monthly TRC commitment, a credit will be issued on a monthly basis sixty (60) days in arrears. Monthly credits will be issued for every month the Customer maintains eligibility under Contract Offer No. 74 and exceeds the Monthly TRC Commitment, provided, however, that once the maximum Basic Credit is reached, as described in Table 7 preceding, no additional Basic Credits will be given for that Contract Year.

At MVP expiration, a MATA true-up will be conducted as described in F.C.C. 1, Section 22.3, to determine the Customer's credit amount or required buy-up amount under MVP. The monthly TRC true-up will be calculated at the same time. Customer will be paid the net amount above the TRC. At the end of the Contract Year, a true-up will be conducted, as described in Section 33.74.8, to determine any additional applicable credits or buy-up amount required.

Example: The Customer's MVP expires on October 31, 2005. Under MVP MATA on October 31, the Customer has met its MARC and is due $2M in MVP credits (earned in 2005), plus $1M in MVP SLA credits (earned in 2005), for a total MVP credit amount of $3M.

The Customer's monthly TRC under this Contract Offer is $8.75M, and Customer is billed $9.75M.

The Customer will receive the $1M under Contract Offer No. 74.

At the Contract Year true-up, the total Gross Spend and total credits paid to the Customer, as described in Section 33.74.6 above, will be calculated to determine any additional applicable credit amount or, if a TRC shortfall occurs, the amount of buy-up the Customer will be billed.

If the Customer does not achieve the Monthly TRC commitment in a given month, the Customer will be billed, and will be required to pay, the amount required to meet the Monthly TRC commitment. This payment must be submitted to the Telephone Company no later than 60 days after the true-up date. Timely payment of this true-up amount to meet Customer's Monthly TRC commitment shall constitute full satisfaction of Customer's Monthly TRC obligation.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credits (Cont'd)

(b) Application of the Maximum Basic Credit (Cont'd)

Except as provided in Section 33.74.11, credits will not be issued unless the Customer has met the monthly TRC and the 95 percent Access Service Ratio. Under the Contract Year True-up Process, any credits due to the Customer will be paid, except for those months the Customer was not in compliance with the 95 percent Access Service Ratio, or the Temporary Access Service Ratio set forth in Section 33.74.11. Any Basic Credits paid will not exceed the amount described in 33.74.6, Table 7.

A final true-up will take place at the end of each Contract Year as described in Section 33.74.8.

(c) Any of the following credits issued to the Customer and associated with the Contributory Services included in the TRC (including MVP Commitment credits earned in 2005, MVP SLA credits earned in 2005, DVP credits, any Basic Credits received pursuant to this Contract Offer) will be applied by the Telephone Company in satisfaction of any applicable Basic and Achievement Credit obligations under this Contract Offer.

Example

The Customer has Contract Year 1 TRC of $8.75M. The Customer achieves 310 percent of the Contract Year 1TRC, equal to $27.13M. The Customer has received, or is entitled to receive, a total of $7M in MVP Commitment Credits and $2M in MVP SLA Credits, for a total of $9M in credits unrelated to this Contract Offer.

The Basic Credit obligation of the Telephone Company and its affiliated telephone companies providing service pursuant to the Contract Offers, as described in Section 33.74.2 (C), is $18M ($27.13M - $8.75M, rounded to the nearest million), as illustrated in Table 7. The Basic Credit obligation will be satisfied by the $9M in non-contract related credits acquired by the Customer under MVP and MVP SLA, plus $9M in Basic Credits paid pursuant to this Contract Offer. This amount will be determined at the time of the final Contract Year true-up, once all other credits have been applied accordingly. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credits (Cont'd)

(c) (Cont'd)

The Customer will not pay less than the TRC for the Contract Year. If the Customer does not achieve the TRC at the end of each Contract Year through the purchase of Contributory Services, the Customer will be required to pay the deficiency as full satisfaction of this obligation.

Basic Credits shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 33.74.2 (C). If qualified for a Basic Credit, an award of Basic Credit under this Contract Offer shall satisfy any Basic Credit obligations of the concurrently subscribed to contract offers as described in Section 33.74.2 (C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 74.

(2) Achievement Credits

Achievement Credits are those credits the Customer will receive based on purchases of Contributory Subject Services above the TRC, plus the maximum Basic Credit Amount, as described in Table 7 preceding. Achievement Credits will not be applicable until the maximum Basic Credit amount has been achieved.

(a) The Customer may receive Achievement Credits if the Customer's Gross Spend for any Contract Year exceeds the TRC plus the Maximum Basic Credit, as described in Table 7 preceding. The Customer will receive a discount on Contributory Subject Services equal to 17 percent of total revenue above the sum of the TRC, plus the Maximum Basic Credit Amount. Any applicable Achievement Credit will be paid out at the end of each Contract Year.

Achievement Credits shall be calculated and awarded on an aggregate basis across the Telephone Company and its affiliated telephone companies, as they apply to the contract offers as described in Section 33.74.2 (C). If qualified, award of Achievement Credit under this Contract Offer shall satisfy the Telephone Company's Achievement Credit obligations.

(N)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(2) Achievement Credits (Cont'd)

(a) (Cont'd)

Example:

The Customer has TRC for Contract Year 1 of \$8.75M. The Customer achieves 325 percent of TRC equal to \$28.44M. The Customer will receive \$18M in Basic Credits as described above, and the Customer will receive \$223K in Achievement Credits calculated as follows:

(\$28.44M minus (Contract Year 1 TRC x 310%)) x 17%

\$28.44M – \$27.13M (\$8.75M x 310%) = \$1.31M
\$1.31M x 17% = \$223K (Achievement Credits).

Table 8

310% of TRC	\$27.13M
Gross Spend Achievement during Contract Year (GSA)	\$28.44M
Difference between 310% of TRC and GSA	\$1.31M
Credit due for billed revenue above 310% of TRC x 17%	\$223K

The Customer receives \$18M in Basic Credits plus \$223K in Achievement Credits, for total credits of \$18.223M, as described in Table 8.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.6 Calculation of Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(3) Transfer of Qualified Services

(a) The Customer may transfer services purchased from SBC non - wholesale entities or channels, or purchased by the Customer under a different Access Customer Name Abbreviation (ACNA) than those identified under this Contract Offer. Upon such transfer, the Customer's TRC commitment must be increased proportionally, based on the amount of revenue associated with the transferred services. The Customer's Maximum Basic Credit amount will not change as a result of this transfer.

Example:

The Customer has a Contract Year 1 TRC of $8.75M and is eligible to earn up to a maximum of $18M in Basic Credits. The Customer transfers $10M of services from a non-SBC wholesale entity. The Customer's new Contract Year 1 TRC will be $18.75M ($8.75M plus $10M = $18.75M). The Customer's maximum Basic Credit ($18M) will not change as a result of the transfer.

This increase in the TRC amount will apply to Contract Year 2 and Contract Year 3, as well as the optional Contract Year Extensions.

33.74.7 Portability

(A) The Telephone Company will waive termination liability charges for moves and/or disconnection of non- (D)
channelized DS1, DS3, [1] services connecting to an end user premise, provided the conditions listed below are met, and provided the Eligibility Criteria in Section 33.74.2, and terms and conditions in Section 33.74.3 have been met. If the Customer both (i) fails to meet the monthly TRC during the Contract period pursuant to Section 33.74.6, and (ii) fails to pay the True-up amount, as defined in Section 33.74.8, or if the Customer fails to comply with the terms and conditions of their underlying term plans, the Customer will be back-billed for termination liability charges that were waived during the Term Period, up to a maximum of two years of such charges, to the extent such termination liability charges would otherwise apply under the relevant underlying term plans. Portability will apply subject to the following terms and conditions:

(1) Each move and/or disconnection must be from any SBC Tariff as described in Section 33.74.1; and

(1) Services moved or disconnected must be in the Price Flex MSAs described in Tariff F.C.C. No. 1, Section 31.

[1] See footnote (1) on page 33-676

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.7 Portability (Cont'd)

(A) (Cont'd)

(1) Services must be non-channelized and must include at least one end user termination. The end user must be disconnected.

(2) The Customer must meet the minimum in-service period for each service, as described below:

(a) DS1 – no minimum in-service period; (D)
(b) DS3, [1] and [1] – 1 year minimum in-service period; and
(c) [1] and [1] – 3 year minimum in-service period; (D)

(3) The Customer must continue to meet the terms and conditions of any underlying term plan.

33.74.8 End of Contract Year True-up Process

A true-up calculation will be performed at the end of each Contract Year during the Term Period as follows:

(A) At the end of each Contract Year, the Customer's Gross Spend, as defined in Section 33.74.6 preceding, will be calculated to determine the applicable Basic Credit and Achievement Credits.

For true-up calculation purposes, the Gross Spend for Contract Year 1 will include the Customer's Contributory Service revenue for the full 2005 calendar year. The amount of Contributory Service minimum required revenue at final true-up for Contract Year 1 will be the 2005 TRC, plus 11/12ths of 86.5 percent of the 2004 Gross Spend, rounded to the nearest million. The applicable Basic Credit Amount and Achievement Credit Amount received as a result of this calculation will apply only to the TRC amount included in this Contract Offer, as described in Section 33.74.6 Table 7 preceding.

For Contract Years 2 and 3, the minimum required revenue shall be equal to the TRC.

The Basic Credit Amount shall be equal to the Gross Spend minus the TRC for each year (or, for Contract Year 1, the Gross Spend minus the sum of the TRC plus 11/12ths of 86.5 percent of 2004 Gross Spend), provided, however, that the Basic Credit Amount shall not exceed the amount provided in Section 33.74.6 Table 7 preceding, and will only apply to the TRC amount included in this Contract Offer.

Credits received under this Contract Offer during the Contract Year, as well as any MVP credits earned in 2005, MVP SLA credits earned in 2005, and DVP credits, will be calculated to determine the amount of Basic Credit the Customer has been paid.

[1] See footnote (1) on page 33-676

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 - Access Discount Offer (Cont'd)

33.74.8 End of Contract Year True-up Process (Cont'd)

(B) If the Customer's Gross Spend for Contributory Services, after all credits and shortfall payments described above, is greater than the minimum required revenue at time of the true-up, the Customer will receive a Basic Credit against Contributory Subject Services equal to the amount above the TRC, not to exceed the amount outlined in Section 33.74.6(B) Table 7 preceding.

Example 1: The Customer's TRC for the first Contract Year is $8.75M. The Customer's Gross Spend for Contributory Services, after all credits and adjustments as described above, is $10M. The Customer will receive an additional Basic Credit equal to $1.25M

If the Customer's Gross Spend for Contributory Services, after all credits and shortfall payments described above, is below the minimum required revenue at the time of the true-up, the Customer will be billed the amount required to meet the minimum required revenue and will pay such charge pursuant to Section 33.74.8 (D).

Example 2: The Customer's TRC for the first Contract Year is $8.75M. The Customer's Gross Spend for Contributory Services, after all credits and adjustments as described above, is $7M. The Customer must pay $1.75M.

If the Customer's Gross Spend for Contributory Services, after all credits and shortfall payments described above, is greater than the TRC times the maximum Basic Credit (plus 11/12ths of 86.5% of 2004 Gross Spend for Contract Year 1), as described in Section 33.74.6, Table 7, the Customer will receive the Maximum Basic Credit against Contributory Subject Services as described above, and an Achievement Credit against Contributory Subject Services (equal to a 17 percent discount on services above the TRC times the maximum Basic Credit amount, plus 11/12ths of 86.5 percent of 2004 Gross Spend for Contract Year 1).

Example 3: The Customer's TRC for the first Contract Year is $8.75M. The Customer's Gross Spend for Contributory Services after all credits and adjustments as described above, is $28.44M. The Customer receives $18M in Basic Credits and $223K in Achievement Credits.

(C) If, at the time of final true-up, the Telephone Company or any of its affiliated telephone companies described in Section 33.74.2 (C), owe the Customer a Basic Credit amount as described above, the credit will be applied to the Customer's bill no later than 60 days after the final true-up date.

(D) If, at the time of true-up, the Customer must make a true-up payment to meet the TRC as described above, the true-up payment must be submitted to the Telephone Company no later than 60 days after the true-up date. The true-up amount will appear on the Customer's monthly invoice. (N)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.9 Contract Extension Options

At the Customer's option, the Customer may extend this Contract Offer at the end of the Term Period. The Customer may extend for one year at the end of Term Period (First Extension Option), and may also extend the Contract Offer by another year at the end of the first extension year (Second Extension Option). The First Extension Option and Second Extension Option must be exercised concurrently for all contract offers described in Section 33.74.2(C). Those contract offers may not be extended individually. To exercise either option, the Customer must notify the Telephone Company and its affiliated telephone companies as described in Section 33.74.2 (C), in writing, no later than 60 days prior to the expiration of the Term Period or, for the Second Extension Option, 60 days prior to the expiration of the First Extension Option.

For the First Extension Option, the TRC shall be determined as follows:

The TRC amounts for the First Extension Option will be equal to the last 3 months of qualified Contributory Services revenue in Contract Year 3 times 4 times 83 percent, or the Contract Year 3 TRC, whichever is greater. The maximum Basic Credit will be equal to the TRC times 120 percent minus the TRC amount, less any Basic Credit reductions applied during the Term Period of this Contract Offer, as described in Section 33.74.11(A) following. An Achievement Credit of 17 percent will apply on revenue above 120 percent of the TRC, except as described in Section 33.74.11 (A) following.

Example:

(TRC X 120% - TRC) – (any credit reduction as described in Section 33.74.11)

For the Second Extension Option, the TRC shall be determined as follows:

The TRC amount for the Second Extension Option will be equal to the last 3 months of qualified Contributory Services revenue in Contract Year 4 times 4 times 83 percent, or the Contract Year 4 TRC, whichever is greater. The maximum Basic Credit Amount will be equal to the TRC times 120 percent minus the TRC amount, less any Basic Credit reductions applied during the Term Period of this Contract Offer, or under the First Extension Option as described in Section 33.74.11(A) following.. An Achievement Credit of 17 percent will apply on revenue above 120 percent of the TRC, except as described in Section 33.74.11 (A) following.
.

Example:

(TRC X 120% - TRC) – (any credit reduction as described in Section 33.74.11)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.10 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 74 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, unless:

(A) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (1) or (2) below, or

(B) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

All of the contract offers described in Section 33.74.2(C) must be assigned or transferred concurrently. Those contract offers may not be assigned or transferred individually.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions

(A) The terms and conditions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or assets of another company (the foregoing generally referred to herein as a merger or acquisition). Any other company involved in such merger or acquisition shall be identified for purposes of this Contract Offer as an Acquired Company, without regard to whether the Customer or the Acquired Company is the surviving entity following the transaction. The Transaction Close Date shall be the date upon which a stock purchase has been completed and/or the final date on which the assets of the acquired/merged company have been purchased. Upon the Transaction Close Date, if the Acquired Company purchases any services that are Contributory Services under this Contract Offer No. 74 from the Telephone Company and each of its affiliated telephone companies in each of the contract offers described in Section 33.74.2 (C), the Contributory Services purchased by the Acquired Company will not count toward the Gross Revenue achievement or TRC amount, and the Contributory Services provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein.

Effective upon the Transaction Close Date:

The Acquired Spend shall be calculated for the Acquired Company, including the Acquired Company's billed revenue for Contributory Services consistent with the manner of calculating Gross Spend, as provided in Section 33.74.6(A) of this Contract Offer, plus the Acquired Company's billed revenue for UNE or equivalent offerings, as described in Section 33.74.4, Table 2.

(1) If the Acquired Spend (calculated based on the billed revenue of the Acquired Company during the three months immediately prior to the Transaction Close Date, times four) is less than or equal to 15 percent of the billed revenue for both Contributory Services and UNE, or equivalent offerings provided to the Customer prior to the Transaction Close Date, this Contract Offer shall remain in force without change, unless Customer includes the Acquired Spend in this Contract Offer, as provided in Section 33.74.11(B) of this Contract Offer.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions (Cont'd)

(A) (Cont'd)

(1) If the Acquired Spend (calculated based on the billed revenue of the Acquired Company during the three months immediately prior to the Transaction Close Date, times four) is greater than 15 percent of the billed revenue for both Contributory Services and UNE, or equivalent offerings provided to the Customer prior to Transaction Close Date, the following provisions shall apply:

(a) The Customer's Calculated Annual Spend shall be the Customer's actual annualized billed revenue for Contributory Services (calculated as the Customer's billed revenue during the three months immediately prior to the Transaction Close Date, times four). The Ceiling shall be the sum of the TRC plus the Maximum Basic Credit. If the Customer's Calculated Annual Spend is less than the Ceiling, the Customer's Maximum Basic Credit shall be reduced by an amount equal to the difference between the Ceiling and the Calculated Annual Spend. The Customer's TRC shall not change. The reduced Maximum Basic Credit shall apply thereafter throughout the Term Period, unless subsequently reduced pursuant to this provision as a result of a subsequent merger or acquisition. Thereafter, the Customer shall not receive Achievement Credits for any revenue above the Calculated Annual Spend, except as described in Section 33.74.11(A)(3) of this Contract Offer.

Example: The Customer's Year 2 TRC is $90M and its Maximum Basic Credit is $18M, for a Ceiling of $108M (TRC plus Maximum Basic Credit).

On the Transaction Close Date, the Customer's Calculated Annual Spend (billed revenue for Contributory Services during the prior three months, times four) is $100M. The Customer's TRC remains $90M, and the Customer's Maximum Basic Credit is reduced to $10M. The Maximum Basic Credit remains at $10M thereafter, unless further reduced as a result of a subsequent merger or acquisition.

No Achievement Credits will apply to any revenue over $100M.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(b) If the Customer's Calculated Annual Spend is equal to or greater than the Ceiling, neither the TRC nor the Maximum Basic Credit shall change, except as provided in Section 33.74.11(A)(3) of this Contract Offer. The Customer shall not receive Achievement Credits for any revenue above the Ceiling during the months after the Transaction Close Date, except as provided in Section 33.74.11(A)(3) of this Contract Offer. Any Achievement Credits earned after the maximum Basic Credit amount has been achieved, but prior to the Transaction Close Date, will continue to apply.

Example: The Customer's Year 2 TRC is $90M and the Maximum Basic Credit is $18M for total of $108M.

On the Transaction Close Date, the Calculated Annual Spend (billed revenue for Contributory Services during the prior three months, times four) is $112M. The Customer's TRC remains $90M and the Maximum Basic Credit remains $18M.

Achievement Credits will apply to Contributory Service revenue during any month after the month in which the Customer reaches the Maximum Basic Credit amount, but before the Transaction Close Date. Achievement Credits will not apply after the Transaction Close Date. (N)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 - Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions (Cont'd)

(A) (Cont'd)

(3) If the Customer wishes to include Contributory Services provided to the Acquired Company in this Contract Offer, the Customer must so notify the Telephone Company within nine (9) months after the Transaction Close Date. If the Customer chooses to include the Acquired Company's Contributory Services in this Contract, the Acquired Spend (calculated based on the billed revenue of the Acquired Company during the three months immediately prior to the date upon which the Customer provides notification pursuant to this provision, times four) will be added to the Customer's then-current TRC. In addition, the revenues resulting from any conversion of UNE or equivalent offerings to qualified Contributory Subject Services, whether voluntary or required, shall also be added to the Customer's then-current TRC, according to the rates that would apply to those Contributory Services under this Contract Offer. The Maximum Basic Credit shall be determined according to Section 33.74.11(A) of this Contract Offer. Achievement Credits will apply to revenue above the Ceiling, beginning upon the date the Customer provides notification pursuant to this provision. Upon including the other company's Contributory Services in this Contract Offer, any pricing flexibility contract offer, or similar intrastate arrangement governing the included services, shall be deemed terminated and any termination liability or other charges will apply, as provided in the previously effective pricing flexibility contract offer or similar intrastate arrangement. The Customer's Maximum Basic Credit amount will not change as a result of this transfer except as described in Section 33.74.11(A)(2)(a) of this Contract Offer. The Access Service Ratio, as described in Section 33.74.4, will be applicable to all of the Customer's affiliates, regardless of their inclusion in, or exclusion from, this Contract Offer (except as described in Section 33.74.11(B) of this Contract Offer). The increase in the Customer's TRC shall apply thereafter, except to the extent the TRC may be further modified pursuant to this Contact Offer.

Example A: The Customer has a Year 2 TRC of $90M, and the Maximum Basic Credit is $18M. The Customer acquires another company with annualized Contributory Service revenues of $40M, and the Customer chooses to add the Acquired Company's Contributory Services business to this Contract Offer. The Customer's new Contract Year 2 TRC will be $130M ($90M plus $40M = $130M). The Customer's Maximum Basic Credit ($18M) will not change, except as described in Section 33.74.11(A)(2)(a) of this Contract Offer. The new TRC will apply thereafter, unless the TRC is subsequently changed pursuant to this Contract Offer.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio

If any merger or acquisition affects the Customer's Access Service Ratio, the Customer and any affiliated entities that existed as of the Transaction Close Date (as determined by the applicable ACNA's) shall comply with the Access Service Ratio requirements of this Contract Offer, as described in Section 33.74.4 of this Contract Offer, subject to the provisions of this Section 33.74.11(B).

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases:

(1) All stock, or substantially all stock or certain assets of another company, and the merger or acquisition will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 33.74.4, regardless of whether the Customer chooses to include the Acquired Company's Contributory Services in this Contract Offer, the following will apply.

(a) A Temporary Access Service Ratio will be calculated in a manner consistent with the calculation of the Access Service Ratio as described in Section 33.74.4 of this Contract Offer, for the Acquired Company, for the month immediately following the Transaction Close Date, according to the following formula.

$$\frac{\text{Acquired Company Access Revenue}}{\text{Acquired Company Access Revenue + Acquired Company Wholesale Revenue}}$$

Example:

$$\frac{\text{\$35M Access}}{\text{\$35M Access + \$34M Wholesale}}$$

The Temporary Access Services Ratio would be:

50.7%/49.3% (N)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(1) (Cont'd)

(b) The Temporary Access Service Ratio will apply to the Acquired Company's Contributory Services until the earlier of nine (9) months after the Transaction Close Date, or the date upon which the Customer notifies the Telephone Company of its election to add the Acquired Company's Contributory Services to this Contract Offer, whichever is earlier. While the Temporary Access Service Ratio remains in effect, the Contributory Services of the Acquired Company must at all times meet or exceed the Temporary Access Service Ratio.

Thereafter, a Combined Access Service Ratio shall be calculated according to the following formula:

$$\frac{\text{Combined Access Revenue}}{\text{Combined Access Revenue} + (\text{Combined Wholesale} - \text{Acquired Wholesale Revenue})}$$

The Acquired Wholesale Revenue in the combined equation shall be measured at the earlier of nine (9) months after the Transaction Close Date or the date upon which the Customer notifies the Telephone Company of its election to add the Acquired Company's Contributory Services to this Contract Offer, whichever is earlier.

Example:

$$\frac{\$140M}{\$140M + (\$37M - \$35M)}$$

The combined Access Service Ratio of 98.6%/1.4% exceeds the 95%/5% ratio required.

(c) Once the Combined Access Service Ratio has been calculated, the combined Company (the Customer and Acquired Company, considered together) must meet or exceed a Combined Access Service Ratio of 95 percent for all services (Contributory and UNE or other equivalent offerings) purchased thereafter. Any wholesale services purchased by the Acquired Company prior to the earlier of the date nine months after the Transaction Close Date, or the date upon which the Customer notifies the Telephone Company of its election to add the Acquired Company's Contributory Services to this Contract Offer, will be deducted from the Combined Wholesale Revenue for purposes of calculating the Combined Access Service Ratio.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.11 Mergers and Acquisitions (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(1) (Cont'd)

(d) Services included in the calculation of the Temporary Access Service Ratio or the Combined Access Service Ratio shall be the same as those described in Section 33.74.4 of this Contract Offer.

(e) If the Customer and/or the Acquired Company fails to meet or exceed the Temporary Access Service Ratio or the Combined Access Service Ratio, the remedies provided in Section 33.74.4 of this Contract Offer shall apply.

(f) The provisions of this Section 33.74.11 shall apply to each merger or acquisition during the Term Period.

(2) If the Customer chooses to include the Acquired Company's Contributory Services in this Contract Offer, Contributory Services previously provided to the Acquired Company shall be included in this Contract Offer immediately upon the Telephone Company's receipt of the Customer's notice of intent to include them, and the TRC will be increased by the amount of the Acquired Company's qualified revenues. In addition, the monthly TRC will be increased to reflect the conversion of any unbundled network elements and equivalent offerings to Contributory Subject Services subject to this Contract Offer. Any converted services will be billed as Contributory Subject Services subject to this Contract Offer, and will be included in the TRC, effective upon the date on which receives the Customer's request to convert. The Customer's Maximum Basic Credit will not change as a result of the inclusion of the Acquired Company's Contributory Services in this Contract Offer, except as described in 33.74.11(A) preceding. The recalculated monthly TRC will apply for the remainder of that Contract Year. In each subsequent Contract Year, the TRC will continue to include the revenues associated with the Acquired Company's Contributory Services. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.12 Cessation of Business

If, at any time during the Term Period, the Telephone Company, or any of its affiliated telephone companies, cease to provide telecommunications services in any MSA subject to this Contract Offer, or any of the other Contract Offers as described in Section 33.74.2 (C), sells or divests its operating assets in any MSA subject to this Contract Offer, or otherwise ceases to provide any of the Contributory Services subject to this Contract Offer, the TRC will be decreased by the amount of the qualified revenue associated with the Contributory Services no longer provided by the Telephone Company or its affiliated telephone companies.

33.74.13 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 1, Section 7 and Section 32. If the Customer terminates Contract Offer No. 74 before the expiration of the Term Period for any reason, except for that defined in 33.74.13 (B) below, the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification to the Telephone Company 90 days prior to the desired date of termination. This notification must include the date upon which the Customer will terminate the Contract Offer.

(A) If the Customer fails to meet any of the eligibility criteria in Section 33.74.2, or fails to meet any of the terms and conditions in Contract Offer No. 74, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer will have sixty (60) days to return to compliance. If the Customer does not return to compliance within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 74, and termination liability charges will apply as stated in 33.74.13 (C), and will be payable within sixty (60) days from the time the contract is deemed terminated. (N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.13 Termination Liability Charges (Cont'd)

(B) If the Telephone Company and its affiliated telephone companies providing service pursuant to the contract offers described in Section 33.74.2(C) fail, in the aggregate, to maintain a Network Availability cumulative annual target of 90 percent for all Contributory services for twelve consecutive months, the Customer will have the option to notify the Telephone Company of the Customer's intent to terminate this Contract Offer. The Customer must provide the Telephone Company with ninety (90) days notice of the Customer's intent to invoke this escape clause and return its services to standard special access services. The Telephone Company will have sixty (60) days, from the date that Customer notice is received, to rectify the service problems or the Customer will be allowed to terminate this offering without incurring any termination liability on the services moved to standard Special Access services. If the Telephone Company and its affiliated telephone companies meet the Network Availability targets within sixty (60) days, the Customer will continue to purchase services under this Contract Offer.

The following occurrences will not be included in the measurements described in the calculation of Network Availability:

(1) In the case of labor disputes, governmental orders, civil commotions, or criminal actions taken against the Telephone Company or its affiliated telephone companies, the Telephone Company and its affiliated telephone companies will be excused for the duration of these events.

(2) In the case of actions outside of the Telephone Company or its affiliated telephone companies' reasonable control (e.g., catastrophic weather conditions) that have a severe impact on the Telephone Company or its affiliated telephone companies' ability to provision and repair service, the Telephone Company and its affiliated telephone companies will be excused, for the duration of the situation, from the performance measures set forth herein. Any such temporary exemption will apply only to the dispatch area(s) directly affected by the situation, and the Telephone Company and its affiliated telephone companies will return to the levels of performance required hereunder as promptly as is reasonably practicable. To the extent additional dispatch areas are impacted by such a situation, the Telephone Company and its affiliated telephone companies will give prompt notice to the Customer of the scope and nature of such impact so the parties can determine whether additional temporary exemptions from the applicable performance measures are appropriate.

(3) Performance shall be excused for the duration of any interruptions caused by the negligence of the Customer, the Customer's end-user, or other third parties not affiliated with the Telephone Company or its affiliated telephone companies. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.13 Termination Liability Charges (Cont'd)

(B) (Cont'd)

(4) Performance shall be excused for the duration of any interruptions of a service due to the failure of equipment or systems provided by the Customer or parties other than the Telephone Company or its affiliated telephone companies.

(5) Performance shall be excused for the duration of any interruptions of a service during any period in which the Telephone Company or its affiliated telephone companies are not afforded access to the premises where the service is terminated.

(6) Performance shall be excused for the duration of any interruptions of a service when the Customer has released that service to the Telephone Company or any of its affiliated telephone companies for maintenance purposes, to make rearrangements, or for the implementation of an order for a change in the service during the time that was negotiated with the Customer prior to the release of that service.

(7) Performance shall be excused for the duration of any interruptions of a service which continue because of the failure of the Customer to authorize replacement of any element of special construction, as set forth in Section 5 and Section 13 of F.C.C. No. 1.

(8) Performance shall be excused for the duration of any interruptions that occur on facilities that the Customer elected not to release the service to the Telephone Company or its affiliated telephone companies for testing and/or repair. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.74 Contract Offering No. 74 – Access Discount Offer (Cont'd)

33.74.13 Termination Liability Charges (Cont'd)

(C) If the Customer terminates its subscription to this Contract Offer prior to the end of the Term Period, for any reason other than described in 33.74.13 (B), the Customer must pay termination liability charges as described below:

Termination of Contract during:

Contract Year 1 – Any credits received under this Contract Offer plus 25% of TRC for remaining months of Term Period

Contract Year 2 – Last 6 months of credit received under this Contract Offer plus 25% of TRC for remaining months of Term Period.

Contract Year 3 – Last 6 months of credit received under this Contract Offer plus 10% of total TRC for Contract Year 3.

Example:

The Customer's 2006 TRC is $90M. The Customer terminates the contract on April 31, 2006. The Customer has 20 months remaining on the Term Period and has received $6M in credits under this Contract Offer in the 6 months prior to termination. The customer will owe $43.4M in termination liability

$26.25M x 4 = $105M
$105M times 89.7% = $94M
$94M/12 = $7.8M x 8 = $62M x 25% = $15.5M for remainder of Contract Year 2

plus

$105M times 83.4% = $87.5M
$87.5M x 25% = $21.9M for Contract Year 3

Contract Year 2 + Contract Year 3 + Last 6 months of credits

$15.5M + $21.9M + $6M = $43.4M Termination Liability

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.75 Contract Offer No. 75– OC-48 SONET Ring and Access Service Offer

33.75.1 General Description

OC-48 SONET Ring and Access Service (SRAS) Offer is an access discount plan that permits customers located in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) described in 33.75.3(B) to pay the discounted rates in Section 33.75.5 for the purchase of OC-48 SRAS that meet the eligibility criteria described in Section 33.75.3 below.

Contract Offer No. 75 is only available for subscription November 22, 2005 through December 22, 2005. This offer is not renewable.

33.75.2 Subject Services

Contract Offer No. 75 applies to pricing flexibility qualified access service (hereafter referred to as Subject Service) contained in the following tariff section:

Pacific Bell OC-48 SRAS – Tariff F.C.C. No. 1, Section 7.2.11.

All terms and conditions for the Subject Service listed above are governed by their respective tariff sections except where provisions of this Contract Offer No. 75 conflict with such respective tariff sections, in which case the provisions provided herein shall prevail.

33.75.3 Eligibility Criteria

The following eligibility criteria must be met in order to receive Contract Offer No. 75:

(A) Service must be a Subject Service listed in Section 33.75.2,

(B) Service must be located in the Sacramento, CA MSA, and

(C) Service must be for one (1) new installation.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.75 Contract Offer No. 75– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.75.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years commencing on the date the service installation is completed by the Telephone Company. Billing commences no later than 30 days after the Telephone Company's completion of the access service order.

If the Customer elects to continue service at the expiration of the Term Period, the Customer may:

(1) Extend rates, terms and conditions of this Contract Offer for up to three additional one(1)year terms by notifying the Telephone Company within 30 days of the expiration of the Term Period; or

(2) Select from the payment options as described in Section 31.5.2.

If the Customer does not elect to continue service pursuant to Contract Offer No. 75, the Customer can terminate service at the conclusion of the service Term Period.

(B) Contract Offer No 75 is also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the terms and conditions described in this Contract Offer;

(C) Rate stability under Contract Offer No. 75 applies only to the rates specific to this Contract Offer as outlined in Section 33.75.5;

(D) Contract Offer No. 75 is only available November 22, 2005, through December 22, 2005;

(E) Contract Offer No. 75 discounted rates, as described in Section 33.75.5, must be for the purchase of a new OC-48 SRAS;

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.75 Contract Offer No. 75– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.75.4 Terms and Conditions (Cont'd)

(F) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company;

(G) If the Customer should discontinue service under Contract Offer No. 75 during the Term Period, termination liability charges will apply in accordance with Section 33.75.7;

(H) The Customer must subscribe to the services available under this Contract Offer No. 75 in accordance with the regulations set forth in Section 5 – Ordering Options;

(I) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(J) If the Customer requests additional service features and functions not included in Section 33.75.5 herein, the Customer will pay the tariff rates for those additions as contained in Section 31-Metropolitian Statistical Area Access Services;

(K) The Customer will not be able to subscribe to any other Contract Offering in Section 33 in conjunction with Contract Offer No. 75 that might be offered by the Telephone Company, now or in the future, for services covered under this Contract Offer 75;

(L) Subject Service under this Contract Offer will not be eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 22-3. This Contract Offer No. 75 cannot be combined with any other promotion, contract, or discount offer; and

(M) Commingling, as defined in F.C.C. Tariff No. 1 Section 2.6, is prohibited.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.75 Contract Offer No. 75– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.75.5 Rates and Charges

The Customer must pay the following Monthly Recurring Charges (MRC) and Non-Recurring Charges (NRC) in Table A for the OC-48 SONET Ring and Access Service:

Table A

Rate Description	USOC	Qty	UNIT PRICE	MRC	NRC
NODE– C.O. NODE FOR DED RING OC-48	FH5XC	1	$3732.00	$3732.00	$0.00
NODE– PREMISES NODE FOR DED RING OC-48	FP5XC	5	$4595.00	$22,975.00	$0.00
DEDICATED RING FEE – ALT WIRE CENTER – CO NODE TO PREM NODE	FECAX	5	$1743.00	$8715.00	$0.00
DEDICATED RING FEE – LOCAL LOOP	FECLX	1	$1328.00	$1328.00	$0.00
Total MRC and NRC				$36,750.00	$0.00

The Customer may add ports up to the OC48 capacity with the rates specified in Table B. The Ports will be co-terminus with the Contract Offer Term Period.

Table B

Additional Features	USOC	Unit Price Per Port	NRC
PREM ACCESS PORT – OC3/C (155 MBPS)	FP6OX	$460.00	$0.00
PREM ACCESS PORT- (DS3)	FP6BX	$207.00	$0.00
PREM ACCESS PORT – (DS1)	FP6AX	$60.00	$0.00

33.75.6 Technology Upgrade

As long as the Customer meets the eligibility criteria in Section 33.75.3 and the Terms and Conditions in Section 33.75.4, the Customer may purchase service which offers features based on upgraded technology from the Telephone Company to replace the Subject Service listed in Section 33.75.2. Once eligibility is determined, the Telephone Company shall waive termination liability for this Contract Offer, provided that the desired upgraded technology meets the following conditions:

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.75 Contract Offer No. 75– OC-48 SONET Ring and Access Service Offer (Cont'd)

33.75.6 Technology Upgrade (Cont'd)

(A) Is comparable to existing Subject Service;

(B) Provides substantially the same functionality as the existing Subject Service; and

(C) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer.

33.75.7 Termination Liability

The termination language contained below applies in lieu of termination liability language contained in Tariff F.C.C. No. 1, Section 7. If the Customer terminates Subject Service before the completion of the Term Period for any reason, except as noted herein, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the terms and conditions of this Contract Offer. These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described below.

The Customer's termination liability charges shall be equal to:

50% of all recurring charges for the balance of Customer's three (3) year term, or one (1) year term extension, whichever is in effect. The termination liability charge will be calculated as follows:

(Monthly recurring rate) multiplied by (Months remaining in term) multiplied by (Termination percentage of 50%)

Example: A Customer with a $ 20,000.00 monthly rate terminates service after 26 months and has 10 months remaining in a three year term plan. The termination liability would be calculated as:

$20,000.00 X 10 X 50% = $100,000.00 termination liability charge.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term

33.76.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DS0 multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.76.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(A) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.76.2 Contract Terms

(A) Contract Offering No. 76 is available during the purchase period which begins December 9, 2005 and ends June 9, 2006.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 76.

(1) The Access Order Charge described in 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6 for Contract Offering No. 76, is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in 5.1.1. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.76.2 Contract Terms (Cont'd)

(C) The initial contract term for Contract Offering No. 76 is one (1) year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(D) At the conclusion of the initial contract term, Contract Offering No. 76 will be automatically renewed for successive one month renewal terms. The Customer may terminate Contract Offering No. 76 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 76 upon thirty (30) days written notice any time following the completion of the initial contract term.

(E) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(F) No other discount pricing plans apply.

(G) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 76.

(H) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 76 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.76.2(L). The termination charge for Contract Offering No. 76 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(I) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 76 terminated, and the termination charges described in 33.76.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one -half of the nonrecurring charge to install service as reflected in 33.76.3(B). (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.76.2 Contract Terms (Cont'd)

(C) The Customer may elect to discontinue Contract Offering No. 76 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.76.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 76 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 76, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 76.

(D) Contract Offering No. 76 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 76 terminated. If Contract Offering No. 76 is terminated during the initial contract term, the termination charges described in 33.76.2(J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.76.2 Contract Terms (Cont'd)

(C) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(D) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.76.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.15(B), and the Service Rearrangement Charge reflected in 33.76.3(B) applies.

33.76.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.76 Contract Offering No. 76 – Access Advantage Plus Transport Service - One Year Term (Cont’d)

33.76.3 Rate Regulations (Cont’d)

(A) Types of Rates and Charges (Cont’d)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term

33.77.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.77.1 General Description (Cont'd)

(B)(Cont'd)

(1) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(2) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(3) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, Santa Rosa, Stockton, CA. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.77.2 Contract Terms

(A) Contract Offering No. 77 is available during the purchase period which begins December 9, 2005 and ends June 9, 2006.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 77.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in 5.2.6, for Contract Offering No. 77, is the initial contract term.

(4) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.77.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 77 is two (2) years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 77 will be automatically renewed for successive one month renewal terms. The Customer may terminate Contract Offering No. 77 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 77 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 77.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 77 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.77.2(L). The termination charge for Contract Offering No. 77 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 77 terminated, and the termination charges described in 33.77.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the nonrecurring charge to install service as reflected in 33.77.2(B). (N)

(This page filed under Transmittal No. 266)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.77.2 Contract Terms (Cont'd)

(L) The Customer may elect to discontinue Contract Offering No. 77 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.77.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 77 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 77, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 77.

(M) Contract Offering No. 77 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 77 terminated. If Contract Offering No. 77 is terminated during the (N) initial contract term, the termination charges described in 33.77.2(J) apply.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.77.2 Contract Terms (Cont'd)

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.77.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B), and the Service Rearrangement Charge reflected in 33.77.3(B) applies.

33.77.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies to install each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.77 Contract Offering No. 77 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.77.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(1) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service – Three Year Term

33.78.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in 7.2.3(D)(15).

(A)The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.78.1 General Description (Cont'd)

(B)(Cont'd)

(1)Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(2)Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(3)Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(A)AA+ Transport Service is available in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

Fresno, Los Angeles-Long Beach, Oxnard-Ventura, Sacramento, San Diego, San Francisco-Oakland, San Jose, (N)
Santa Rosa, Stockton, CA.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.78.2 Contract Terms

(A) Contract Offering No. 78 is available during the purchase period which begins December 9, 2005 and ends June 9, 2006.

(B) Sections 2, 4, 5, 13 and 34 apply except as set forth herein. Any changes made to these sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 78.

(1) The Access Order Charge described in 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in 5.2.2(A), the Design Change Charge described in 5.2.2(B) and the Expedited Order Charge described in 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in 5.2.6 for Contract Offering No. 78, is the initial contract term.

(5) Minimum Period Charges described in 2.4.2 and 5.2.7 do not apply.

(1) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.78.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in 5.1.1.

(E) The initial contract term for Contract Offering No. 78 is three (3) years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 78 will be automatically renewed for successive one month renewal terms. The Customer may terminate Contract Offering No. 78 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 78 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 78.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 78 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.78.2(L). The termination charge for Contract Offering No. 78 is fifty (50) percent of the remaining CTRC payments due for the balance of the initial contract term. The termination charge is calculated as follows: (N)

(Monthly rate) x (Months remaining in initial contract term) x (50%)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.78.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 78 terminated, and the termination charges described in 33.78.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The Customer may elect to discontinue Contract Offering No. 78 at any time prior to the expiration of the initial contract term without incurring the termination charges described in 33.78.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 78 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 78, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 78. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.78.2 Contract Terms (Cont'd)

(M) Contract Offering No. 78 is not available as a Fiber Advantage DS1 service

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 78 terminated. If Contract Offering No. 78 is terminated during the initial contract term, the termination charges described in 33.78.2(J) apply.

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in 33.78.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in 5.2.8(B) and the Service Rearrangement Charge reflected in 33.78.3(B) applies.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.78 Contract Offering No. 78 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.78.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply to install each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering

33.79 Contract Offer No. 79– DS1 Special Access Service Offer

33.79.1 General Description

DS1 Special Access Service Offer – Contract Offer No. 79 is an access discount pricing plan for DS1 special access services. Contract Offer No. 79 permits Customers to receive discounts for Subject Services as described in Section 33.79.2 in the Metropolitan Statistical Areas (hereafter referred to as MSAs) listed in Section 33.79.3. Customer must meet the eligibility criteria set forth in Section 33.79.3, and also must comply with the terms and conditions as described in Section 33.79.4.

Contract Offer No. 79 is available for subscription January 19, 2006 through February 19, 2006. This offer is not renewable.

33.79.2 Subject Services Available Under Contract Offer No. 79

Contract Offer No. 79 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) DS1 Special Access Services – Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9.

Each Subject Service shall be provided according to the rates, terms and conditions of the otherwise applicable tariff, except as expressly provided by this Contract Offer. If any provisions of this Contract Offer conflict with the otherwise applicable tariff, the rates, terms and conditions of this Contract Offer shall prevail.

33.79.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to Contract Offer No. 79, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(A) Subject Services must be pricing-flexibility-qualified access services, as described in Section 33.79.2.

(B) Subject Services must be located in the following pricing flexibility qualified MSAs: San Jose, Fresno, Los Angeles / Long Beach, Bakersfield, Modesto, Oxnard / Ventura, Sacramento, San Diego, San Francisco / Oakland, Santa Rosa, and Stockton, CA. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.3 Eligibility Criteria (Cont'd)

(C) If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services provided to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs.

33.79.4 Terms and Conditions

(A) Term Periods

The term of this Contact Offer (Term Period) shall be five (5) years, commencing on the date the Customer submits its Letter of Subscription (LOS) to the Telephone Company. This offer is not renewable.

At the expiration of the Term Period of this Contract Offer, the Customer may either (1) choose to disconnect the Subject Services with no additional charges or early termination penalties owed, or (2) choose to continue service pursuant to one of the payment options provided in PBTC Tariff F.C.C. No. 1, Section 7.5.9 for Subject Services. Within sixty (60) days of the end of the Term Period, the Customer shall provide written notice of its election for each class of Subject Services listed above. The Customer's written notice must specifically identify all Subject Services to be converted and the payment options to which each Subject Service should be converted.

Notwithstanding anything else to the contrary in this Contract Offer, if, at the expiration of the Term Period, the Customer has not elected to disconnect the Subject Services or has not selected one of the payment options described in the PBTC Tariff F.C.C. No. 1, Section 7.5.9, the Subject Services shall remain in service and shall be converted to monthly extension rates, or to the shortest term payment plan applicable to the Subject Services.

(1) Service Term for Existing DS1 Subject Services

Subject Services that are converted to this Contract Offer will have a service Term Period of sixty (60) months from the time they are converted to this Contract Offer. The discounted rates provided pursuant to this Contract Offer shall apply during the Term Period. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.4 Terms and Conditions (Cont'd)

(A) Term Periods (Cont'd)

(2) Service Term for New Subject Services purchased under this Contract Offer

New Subject Services purchased during the Term Period must be purchased pursuant to a five (5) year term payment plan to be eligible for the discounted rates provided in this Contract Offer. The discounted rates provided in this Contract Offer shall apply during the Term Period.

(B) Rate stability under Contract Offer No. 79 applies only to the rates specific to this Contract Offer as provided in Section 33.79.6. Subject Services listed in 33.79.2 are also subject to certain rates, charges and general terms and conditions in other sections of PBTC F.C.C. No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the rates, terms or conditions provided under this Contract Offer.

(C) Contract Offer No. 79 is available from January 19, 2006 through February 19, 2006.

(D) Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(E) The Customer must comply with the in service requirement set forth in Section 33.79.5.

(F) The Customer must subscribe to the Subject Services available under this Contract Offer in accordance with the regulations set forth in Section 5 – Ordering Options.

(G) If the Customer requests additional service features and functions not included in 33.79.5, the Customer must pay the applicable tariff rates for those features and functions. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.4 Terms and Conditions (Cont'd)

(H) The Customer shall not combine this Contract Offer with any other promotional or discount offer unless the other contract offer expressly states that the combination of discounts from that contract offer and this Contract Offer is permitted.

(I) Subject Services under this Contract Offer are not eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 22, and will not count toward the attainment of the Customer's MVP MARC, if any.

(J) The Customer must be current on all undisputed billing for existing Subject Services within 30 days of subscribing to this Contract Offer, and must remain current on all undisputed billing for Subject Services throughout the Term Period. Customer shall remit any billing disputes for Subject Services provided under this Contract Offer via the Telephone Company's electronic process.

(K) Commingling (as defined in F.C.C. No. 1, Section 2.6) of Subject Services, provided pursuant to this Contract Offer, is prohibited.

(L) If the Customer terminates any Subject Service during the Term Period, termination liability charges shall apply in accordance with Section 33.79.12, except to the extent that termination liability charges do not apply pursuant to the portability provisions of this Contract Offer, as provided in Section 33.79.9.

33.79.5 In Service Requirements

(A) The Customer must meet an in service requirement for DS1 Subject Services provided under this Contract Offer. Customer must have purchased and/or converted 5,000 DS1 services to the rates, terms and conditions of this Contract Offer during the Term Period.

(B) Existing services that are converted to count toward the in service requirement must have a PIU of 100. The Customer must submit access service requests to the Telephone Company for existing services to be converted within 18 months of subscribing to this Contract Offer.

(C) The Customer may convert up to 820 existing DS1 services currently under monthly extension rates to the rates, terms and conditions of this Contract Offer. Any such services converted will count towards the in service requirement as specified herein. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.5 In Service Requirements (Cont'd)

(D) The Customer may convert any existing DS1 Unbundled Network Elements (UNEs) to special access subject services under the rates, terms and conditions pursuant to this Contract Offer. Any UNE services converted will count towards the in service requirement as specified herein.

33.79.6 Rates and Charges

(A) Monthly Recurring Charges and Credits

The Customer shall receive the following discounts off the current tariffed Monthly Recurring Charges (MRCs) provided in Tariff F.C.C. No. 1, Section 31.5.2.7, for newly purchased Subject Services. Discounts also apply to existing DS1s converted to this Contract Offer.

Table A

DS1 Special Access Services	**USOC**	Percentage discount
Channel Termination – Per Point of Termination - Zone 1	TMECS	10%
Channel Termination – Per Point of Termination - Zone 2	TMECS	5%
Channel Termination – Per Point of Termination - Zone 3	TMECS	2%
Channel Mileage – Fixed – Zone 1	1L5XX	0%
Channel Mileage – Fixed - Zone 2	1L5XX	0%
Channel Mileage – Fixed – Zone 3	1L5XX	0%
Channel Mileage – Per Mile – Zone 1	1L5XX	10%
Channel Mileage – Per Mile – Zone 2	1L5XX	5%
Channel Mileage – Per Mile – Zone 3	1L5XX	2%

(B) Monthly Credit

The Customer shall receive an additional credit of 14 percent of the revenue generated from Subject Services on the following rate elements: Channel Terminations, Channel Mileage Fixed and Channel Mileage Variable, listed in Table A, above, for the Subject Services provided under this Contract Offer. This credit will be computed monthly and credited to the Customer's bill monthly, as long as the Customer is in compliance with all terms and conditions of this Contract Offer.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.6 Rates and Charges (Cont'd)

(C) Non-Recurring Charges

The Telephone Company shall waive the following Non-Recurring Charges (NRCs), as described in Tariff F.C.C. No.1, Section 31.5.2.7, for the purchase of new DS1 Subject Services and the conversion of any UNEs to special access services pursuant to this Contract Offer:

Table B

Non-recurring Charges	USOCs
Administrative Charge, per order	NRBAO
Channel Termination Non-Recurring Charge	TMECS

(D) The Customer must pay all other applicable NRCs, including rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in Pacific Bell F.C.C. No. 1, Section 5.2.2, for Subject Services pursuant to this Contract Offer.

33.79.7 Network Optimization Credit

The Customer shall receive a Network Optimization Credit of $25 for each new DS1 Subject Service purchased under this Contract Offer during the first 36 months of the Term Period.

The Network Optimization Credit shall be collected in a fund for the Customer, maintained by the Telephone Company, for the purposes of reducing the Channel Facility Assignment/Point of Presence (CFA/POP) network charges billed by the Telephone Company for network facility moves, as described in Tariff F.C.C No. 1, Section 7.5.9, listed in Table C, below. Network charges associated with the conversion of existing Subject Services to this Contract Offer, as described in 33.79.5, are not eligible for Network Optimization Credits.

Table C

Optional Features and Functions	USOCs
Rollover - Per point of Termination (All Zones)	NRBR1/NRBRH
Rollover when Point of Termination Changes – Per Point of Termination (All Zones)	NRBR0

(N)

(This page filed under Transmittal No. 270)

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.7 Network Optimization Credit (Cont'd)

The Network Optimization Credit fund maintained by the Telephone Company shall not exceed $125,000.

On each anniversary of the commencement of the Term Period, the Customer shall submit a list of applicable CFA/POP charges billed by the Telephone Company per the USOCs, as listed in Table C, above, to the Telephone Company to receive the credits as described herein. Upon verification of the billed network charges submitted by the Customer, the Telephone Company shall apply a credit to the Customer's bill within 90 days after the submission of the list by the Customer.

Network Optimization Credits collected during the first 36 months of this Contract Offer shall be applied to the Customer's bill during the Term Period until the fund maintained by the Telephone Company is depleted or the Term Period has ended, whichever comes first. Any credits not used for the CFA/POP network charges, as described above, upon expiration of this Contract Offer shall not be available for credit to the Customer.

33.79.8 Additional Credit

The Customer shall receive an additional credit of two (2) percent of the revenue generated from Subject Services on the following rate elements: Channel Terminations, Channel Mileage Fixed and Channel Mileage Variable, listed in Table A of 33.79.6 for DS1s purchased in the first 24 months of the Term Period, provided that the Customer purchase at least 2,500 DS1 Subject Services during that same time period. The credit will be computed on the second anniversary date of the Term Period and, if eligible, will be credited to the Customer's bill within 90 days of that anniversary date if the Customer met the requirements as described herein.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.9 Portability

The Telephone Company shall waive otherwise applicable termination liability charges for moves and/or disconnections of Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis.

(A) The Customer must be in compliance with all terms and conditions of this Contract Offer.

(A) Existing Subject Services converted to this Contract Offer must have been in service for a minimum of thirty (30) days from the commencement of the Term Period.

(B) Subject Services purchased by the Customer after the commencement of the Term Period must complete a minimum in-service period of thirty (30) days from their initial installation date

33.79.10 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.11 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 79 pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.79.12 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Sections 7 and 31. If the Customer terminates Contract Offer No. 79 before the completion of the Term Period for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This (N)
notification must include the date upon which the Customer will terminate the Contract Offer.

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.12 Termination Liability (Cont'd)

If the Customer fails to meet any of the terms and conditions of this Contract Offer, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer shall have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer shall be deemed to have terminated its participation in Contract Offer No. 79, and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Sections 7 and 31.

The Customer's termination liability charge shall be equal to the following:

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of waived NRCs received under Contract Offer No. 79 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10 % of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer for the remaining portion of Year 1, plus 10% of the monthly recurring revenue for the remaining years of the Contract Offer, calculated on an annual basis.

(2) If terminated in Year 2, 12.5% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer for the remaining portion of Year 2, plus 12.5% of the monthly recurring revenue for the remaining years of the Contract Offer, calculated on an annual basis.

(3) If terminated in Year 3, 12.5% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer for the remaining portion of Year 3, plus 12.5% of the monthly recurring revenue for the remaining years of the Contract Offer, calculated on an annual basis. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.12 Termination Liability (Cont'd)

(4) If terminated in Year 4, 12.5% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 4, plus 12.5% of the monthly recurring revenue for the remaining for Year 5, calculated on an annual basis.

(5) If terminated in Year 5, 10.0% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 5, calculated on an annual basis.

Example 1: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer nine (9) months after the commencement of the Term Period, the Customer would be charged 100% of the NRCs that were waived for the prior six (6) months, plus 10% of the monthly recurring revenue from Subject Services at the time of termination for the remaining portion of Year 1, plus 10% of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 2 – 5, for a total termination charge of $416,083.

This is computed as:

$14,000 + (($83,333.33 x .10) x .25) + ((($83,333.33 x .10) x 12) x 4) = $416,083

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.79 Contract Offer No. 79– DS1 Special Access Service Offer (Cont'd)

33.79.12 Termination Liability (Cont'd)

Example 2: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer two (2) years and nine (9) months after the commencement of the Term Period, the Customer would be charged 100% of the NRC's that were waived for the previous six (6) months, plus 12.5% of the monthly recurring revenue from Subject Services at the time of termination for the last three (3) months of that contract year, plus 12.5% of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 4 & 5, for a total of $266,604.

This is computed as:

$14,000 + ((($83,333.33 x .125) x .25) + ((($83,333.33 x .125) x 12) x 2) = $266,604 (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (N)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer

33.80.1 General Description

DS1 Special Access Service Offer – Contract Offer No. 80 is an access discount pricing plan for DS1 special access services. Contract Offer No. 80 permits Customers to receive discounts for Subject Services as described in Section 33.80.2 in the Metropolitan Statistical Areas (hereafter referred to as MSAs) listed in Section 33.80.3. The Customer must meet the eligibility criteria set forth in Section 33.80.3, and also must comply with the terms and conditions as described in Section 33.80.4.

Contract Offer No. 80 is available for subscription January 27, 2006 through February 27, 2006. This offer is not renewable.

33.80.2 Subject Services Available Under Contract Offer No. 80

Contract Offer No. 80 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) DS1 Special Access Services – Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9.

Each Subject Service shall be provided according to the rates, terms and conditions of the otherwise applicable tariff, except as expressly provided by this Contract Offer. If any provisions of this Contract Offer conflict with the otherwise applicable tariff, the rates, terms and conditions of this Contract Offer shall prevail.

33.80.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to Contract Offer No. 80, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(A) Subject Services must be pricing-flexibility-qualified access services, as described in Section 33.80.2.

(B) Subject Services must be located in the following pricing flexibility qualified MSAs: San Jose, Fresno, Los Angeles / Long Beach, Bakersfield, Modesto, Oxnard / Ventura, Sacramento, San Diego, San Francisco / Oakland, Santa Rosa, and Stockton, CA. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.3 Eligibility Criteria (Cont'd)

(C) If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services provided to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs.

33.80.4 Terms and Conditions

(A) Term Period

The term of this Contact Offer (Term Period) shall be five (5) years, commencing on the date the Customer submits its Letter of Subscription (LOS) to the Telephone Company. This offer is not renewable.

At the expiration of the Term Period of this Contract Offer, the Customer may either (1) choose to disconnect the Subject Services with no additional charges or early termination penalties owed, or (2) choose to continue service pursuant to one of the payment options provided in PBTC Tariff F.C.C. No. 1, Section 7.5.9 for Subject Services. Within sixty (60) days of the end of the Term Period, the Customer shall provide written notice of its election for each class of Subject Services listed above. The Customer's written notice must specifically identify all Subject Services to be converted and the payment options to which each Subject Service should be converted.

Notwithstanding anything else to the contrary in this Contract Offer, if, at the expiration of the Term Period, the Customer has not elected to disconnect the Subject Services or has not selected one of the payment options described in the PBTC Tariff F.C.C. No. 1, Section 7.5.9, the Subject Services shall remain in service and shall be converted to monthly extension rates, or to the shortest term payment plan applicable to the Subject Services.

(1) Service Term for Existing DS1 Subject Services

Subject Services that are converted to this Contract Offer will have a service Term Period of sixty (60) months from the time they are converted to this Contract Offer. The discounted rates provided pursuant to this Contract Offer shall apply during the Term Period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.4 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

(2) Service Term for New Subject Services purchased under this Contract Offer.

New Subject Services purchased during the Term Period must be purchased pursuant to a five (5) year term payment plan to be eligible for the discounted rates provided in this Contract Offer. The discounted rates provided in this Contract Offer shall apply during the Term Period.

(B) Rate stability under Contract Offer No. 80 applies only to the rates specific to this Contract Offer as provided in Section 33.80.6. Subject Services listed in 33.80.2 are also subject to certain rates, charges and general terms and conditions in other sections of PBTC F.C.C. No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the rates, terms or conditions provided under this Contract Offer.

(C) Contract Offer No. 80 is available from January 27, 2006 through February 27, 2006.

(D) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(E) The Customer must comply with the in-service requirements set forth in Section 33.80.5.

(F) The Customer must subscribe to the Subject Services available under this Contract Offer in accordance with the regulations set forth in Section 5 – Ordering Options.

(G) If the Customer requests additional service features and functions not included in 33.80.5, the Customer must pay the applicable tariff rates for those features and functions. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.4 Terms and Conditions (Cont'd)

(H) The Customer shall not combine this Contract Offer with any other promotional or discount offer unless the other contract offer expressly states that the combination of discounts from that contract offer and this Contract Offer is permitted.

(I) Subject Services under this Contract Offer are not eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 22, and will not count toward the attainment of the Customer's MVP MARC, if any.

(J) The Customer must be current on all undisputed billing for existing Subject Services within 30 days of subscribing to this Contract Offer, and must remain current on all undisputed billing for Subject Services throughout the Term Period. Customer shall remit any billing disputes for Subject Services provided under this Contract Offer via the Telephone Company's electronic process.

(K) Commingling (as defined in F.C.C. No. 1, Section 2.6) of Subject Services, provided pursuant to this Contract Offer, is prohibited.

(L) If the Customer terminates any Subject Service during the Term Period, termination liability charges shall apply in accordance with Section 33.80.12, except to the extent that termination liability charges do not apply pursuant to the portability provisions of this Contract Offer, as provided in Section 33.80.9.

33.80.5 In-Service Requirements

(A) The Customer must meet an in-service requirement for DS1 Subject Services provided under this Contract Offer. The Customer must have purchased and/or converted 5,000 DS1 services to the rates, terms and conditions of this Contract Offer during the Term Period.

(B) Existing services that are converted to count toward the in-service requirement must have a PIU of 100. The Customer must submit access service requests to the Telephone Company for existing services to be converted within 18 months of subscribing to this Contract Offer.

(C) The Customer may convert up to 820 existing DS1 services currently under monthly extension rates to the rates, terms and conditions of this Contract Offer. Any such services converted will count towards the in-service requirement as specified herein.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.5 In-Service Requirements (Cont'd)

(D) The Customer may convert any existing DS1 Unbundled Network Elements (UNEs) to special access subject services under the rates, terms and conditions pursuant to this Contract Offer. Any UNE services converted will count towards the in-service requirement as specified herein.

33.80.6 Rates and Charges

(A) Monthly Recurring Charges and Credits

The Customer shall receive the following discounts off the current tariffed Monthly Recurring Charges (MRCs) provided in Tariff F.C.C. No. 1, Section 31.5.2.7, for newly purchased Subject Services. Discounts also apply to existing DS1s converted to this Contract Offer.

Table A

DS1 Special Access Services	**USOC**	**Percentage discount**
Channel Termination – Per Point of Termination - Zone 1	TMECS	10%
Channel Termination – Per Point of Termination - Zone 2	TMECS	5%
Channel Termination – Per Point of Termination - Zone 3	TMECS	2%
Channel Mileage – Fixed & Per Mile – Zone 1	1L5XX	10%
Channel Mileage – Fixed & Per Mile - Zone 2	1L5XX	5%
Channel Mileage – Fixed & Per Mile – Zone 3	1L5XX	2%

(B) Monthly Credit

The Customer shall receive an additional credit of fourteen (14) percent of the revenue generated from Subject Services on the following rate elements: Channel Terminations, Channel Mileage Fixed and Channel Mileage Variable, listed in Table A, above, for the Subject Services provided under this Contract Offer. This credit will be computed monthly and credited to the Customer's bill monthly, as long as the Customer is in compliance with all terms and conditions of this Contract Offer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.6 Rates and Charges (Cont'd)

(C) Non-Recurring Charges

The Telephone Company shall waive the following Non-Recurring Charges (NRCs), as described in Tariff F.C.C. No.1, Section 31.5.2.7, for the purchase of new DS1 Subject Services and the conversion of any UNEs to special access services pursuant to this Contract Offer:

Table B

Non-recurring Charges	**USOCs**
Administrative Charge, per order	NRBAO
Channel Termination Non-Recurring Charge	TMECS

(D) The Customer must pay all other applicable NRCs, including rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in Pacific Bell F.C.C. No. 1, Section 5.2.2, for Subject Services pursuant to this Contract Offer.

33.80.7 Network Optimization Credit

The Customer shall receive a Network Optimization Credit of $25 for each new DS1 Subject Service purchased under this Contract Offer during the first thirty-six (36) months of the Term Period.

The Network Optimization Credit shall be collected in a fund for the Customer, maintained by the Telephone Company, for the purposes of reducing the Channel Facility Assignment/Point of Presence (CFA/POP) network charges billed by the Telephone Company for network facility moves, as described in Tariff F.C.C No. 1, Section 7.5.9, listed in Table C, below. Network charges associated with the conversion of existing Subject Services to this Contract Offer, as described in 33.80.5, are not eligible for Network Optimization Credits.

Table C

Optional Features and Functions	**USOCs**
Rollover - Per point of Termination (All Zones)	NRBR1/NRBRH
Rollover when Point of Termination Changes – Per Point of Termination (All Zones)	NRBR0

(N)

(This page filed under Transmittal No. 272)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.7 Network Optimization Credit (Cont'd)

The Network Optimization Credit fund maintained by the Telephone Company shall not exceed $125,000.

On each anniversary of the commencement of the Term Period, the Customer shall submit a list of applicable CFA/POP charges billed by the Telephone Company per the USOCs, as listed in Table C, to the Telephone Company to receive the credits as described herein. Upon verification of the billed network charges submitted by the Customer, the Telephone Company shall apply a credit to the Customer's bill within ninety (90) days after the submission of the list by the Customer.

Network Optimization Credits collected during the first thirty-six (36) months of this Contract Offer shall be applied to the Customer's bill during the Term Period until the fund maintained by the Telephone Company is depleted or the Term Period has ended, whichever comes first. Any credits not used for the CFA/POP network charges, as described above, upon expiration of this Contract Offer shall not be available for credit to the Customer.

33.80.8 Additional Credit

The Customer shall receive an additional credit of two (2) percent of the revenue generated from Subject Services on the following rate elements: Channel Terminations, Channel Mileage Fixed and Channel Mileage Variable, listed in Table A of 33.80.6 for DS1s purchased in the first twenty-four (24) months of the Term Period, provided that the Customer purchase at least 2,500 DS1 Subject Services during that same time period. The credit will be computed on the second anniversary date of the Term Period and, if eligible, will (N)
be credited to the Customer's bill within ninety (90) days of that anniversary date if the Customer met the requirements as described herein.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.9 Portability

The Telephone Company shall waive otherwise applicable termination liability charges for moves and/or disconnections of Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis.

(A) The Customer must be in compliance with all terms and conditions of this Contract Offer.

(A) Existing Subject Services converted to this Contract Offer must have been in-service for a minimum of thirty (30) days from the commencement of the Term Period.

(B) Subject Services purchased by the Customer after the commencement of the Term Period must complete a minimum in-service period of thirty (30) days from their initial installation date

33.80.10 Mergers and Acquisitions

The terms and conditions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final (N)
date on which the assets of the acquired/merged company have been purchased.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.11 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 80 pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.80.12 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Pacific Bell Telephone Company Tariff F.C.C. No. 1, Sections 7 and 31. If the Customer terminates Contract Offer No. 80 before the completion of the Term Period for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination. The Customer must provide written notification ninety (90) days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.12 Termination Liability (Cont'd)

If the Customer fails to meet any of the terms and conditions of this Contract Offer, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer shall have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer shall be deemed to have terminated its participation in Contract Offer No. 80, and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Sections 7 and 31.

The Customer's termination liability charge shall be equal to the following:

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of waived NRCs received under Contract Offer No. 80 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10 % of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer for the remaining portion of Year 1, plus 10% of the monthly recurring revenue for the remaining years of the Contract Offer, calculated on an annual basis.

(2) If terminated in Year 2, 12.5% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer for the remaining portion of Year 2, plus 12.5% of the monthly recurring revenue for the remaining years of the Contract Offer, calculated on an annual basis.

(3) If terminated in Year 3, 12.5% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer for the remaining portion of Year 3, plus 12.5% of the monthly recurring revenue for the remaining years of the Contract Offer, calculated on an annual basis.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.12 Termination Liability (Cont'd)

(4) If terminated in Year 4, 12.5% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 4, plus 12.5% of the monthly recurring revenue for the remaining for Year 5, calculated on an annual basis.

(5) If terminated in Year 5, 10.0% of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 5, calculated on an annual basis.

Example 1: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer nine (9) months after the commencement of the Term Period, the Customer would be charged 100% of the NRCs that were waived for the prior six (6) months, plus 10% of the monthly recurring revenue from Subject Services at the time of termination for the remaining portion of Year 1, plus 10% of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 2 – 5, for a total termination charge of $416,083.

This is computed as:

$14,000 + (($83,333.33 x .10) x .25) + ((($83,333.33 x .10) x 12) x 4) = $416,083

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.80 Contract Offer No. 80– DS1 Special Access Service Offer (Cont'd)

33.80.12 Termination Liability (Cont'd)

Example 2: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer two (2) years and nine (9) months after the commencement of the Term Period, the Customer would be charged 100% of the NRC's that were waived for the previous six (6) months, plus 12.5% of the monthly recurring revenue from Subject Services at the time of termination for the last three (3) months of that contract year, plus 12.5% of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 4 & 5, for a total of $266,604.

This is computed as:

$14,000 + (($83,333.33 x .125) x .25) + ((($83,333.33 x .125) x 12) x 2) = $266,604 (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.81 Contract Offer No. 81 – DS3 Special Access Offer

33.81.1 General Description

Contract Offer No. 81 – DS3 Special Access Offer is an access discount pricing plan that provides the Customer with discounted rates for new access service. Qualified service under Contract Offer No. 81 is available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA), as described in Section 33.81.2 (A). Contract Offer No. 81 is available for subscription February 18, 2006 through March 18, 2006. This Contract Offer is not renewable.

33.81.2 Eligibility Criteria

The following eligibility criteria must be met for pricing flexibility qualified service (hereafter referred to as Subject Service) to be provided under this Contract Offer:

(A) The Subject Service must be located in the following Pricing Flexibility MSA: San Diego, CA;

(B) Subject Service must be provided in Pacific Bell Telephone Company (Pacific Bell) Tariff F.C.C. No. 1, Section 7.5.9 and Section 31.5.2.7; and

(C) The Customer must provide documentation that an equivalent Subject Service is currently provided or can be provided by another carrier other than the Telephone Company. Documentation may include, but is not limited to, circuit detail records, invoices or service proposals.

33.81.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Telephone Company provides Service to the Customer.

Upon the expiration of the Term Period, the Subject Service provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in Pacific Bell Tariff F.C.C. No. 1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.81 Contract Offer No. 81 – DS3 Special Access Offer (Cont'd)

33.81.3 Terms and Conditions (Cont'd)

(A) Contract Subscription

(1) Contract Offer No. 81 is available for subscription February 18, 2006 through March 18, 2006.

(2) To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(B) General

(1) The Customer must purchase one (1) new DS3 service, configured as described below, within thirty (30) days of subscription to this Contract Offer:

(a) 'A' location must be cross connected to a Customer designated collocation facility;
(b) 'Z' location must be a Local Distribution Channel; and
(c) No interoffice transport.

(2) This Contract Offer will only apply to the purchase of one (1) new DS3 Service as described above.

(3) If the Customer should discontinue service under this Contract Offer during the Term Period, a termination charge will apply in accordance with Section 33.81.7 for the discontinued services.

(4) Commingling, as defined in Pacific Bell Tariff F.C.C. No. 1, Section 2.6 of Subject Service under this Contract Offer, is prohibited.

(5) The Customer may not include Subject Service provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(6) All terms and conditions for the Subject Service provided under this Contract Offer are governed by Pacific Bell Tariff F.C.C. No. 1, except as noted herein.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.81 Contract Offer No. 81 – DS3 Special Access Offer (Cont'd)

33.81.4 Assignment and Transfer

If the Customer wishes to assign or transfer its use of service under this Contract Offer pursuant to Pacific Bell Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.81.5 Mergers and Acquisitions

The terms and conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Service from the Telephone Company, the Subject Service, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.81 Contract Offer No. 81 – DS3 Special Access Offer (Cont'd)

33.81.6 Rates and Charges

The Customer must pay the following Monthly Recurring Charge (MRC) for the rate elements that comprises the Subject Service provided under this Contract Offer.

Rate Elements	Applicable USOC	MRC
Local Distribution Channel	Z3MAC	$2,800.00
Fixed and Variable Mileage	1L5XX	
1 Cross Connect	CCDS3	

Any rate elements not described herein will be subject to the applicable rates and charges outlined in Pacific Bell Tariff F.C.C. No. 1.

33.81.7 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in Pacific Bell Tariff F.C.C. No. 1. If the Customer requests termination of this Contract Offer, or requests termination of individual Subject Service provided under this Contract Offer, or is not in compliance with the terms and conditions of this Contract Offer, the Customer will be liable for a termination charge. This charge shall become due as of the effective date of the termination and is payable within 30 days of the billing invoice date.

The termination charge shall be equal to 50% of the Monthly Recurring Charges (MRC) for the balance of the Term Period and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: Customer has $200,000 in Monthly Recurring Charges. If the service is terminated after six (6) months and has six (6) months remaining in a twelve (12) month Term Period, the termination charge would be calculated as:

$200,000 X 6 months X 50% = $600,000 Termination Charge

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 82 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-758

33. [1] (D)

[1] See footnote (1) on page 33-758

33. [1] (D)

[1] See footnote (1) on page 33-758

33. [1] (D)

[1] See footnote (1) on page 33-758

33. [1] (D)

[1] See footnote (1) on page 33-758

33. [1] (D)

[1] See footnote (1) on page 33-758

ACCESS SERVICE

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 83 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-765

33. [1] (D)

[1] See footnote (1) on page 33-765

33. [1] (D)

[1] See footnote (1) on page 33-765

33. [1] (D)

[1] See footnote (1) on page 33-765

33. [1] (D)

[1] See footnote (1) on page 33-765

33. [1] (D)

[1] See footnote (1) on page 33-765

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.84 Contract Offer No. 84 – DS3 Special Access Offer

33.84.1 General Description

Contract Offer No. 84 – DS3 Special Access Offer is an access discount pricing plan that provides the Customer with discounted rates for new access services. Qualified services under Contract Offer No. 84 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs), as described in Section 33.84.2(C).

Contract Offer No. 84 is only available for subscription March 28, 2006 through April 28, 2006. This Contract Offer is not renewable.

33.84.2 Service Qualifications

(A) This Contract Offer applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff section(s):

(1) Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, High Capacity Service, Section 31.5.2.7.

(B) Subject Services provided under this Contract Offer must be configured according to the following criteria:

(1) Channels must be operated at the terminating bit rate of 44.736 Mbps (DS3).
(2) 'A' location must be cross connected to a Customer designated facility.

(C) Subject Services provided under this Contract Offer must be located in the following Pricing Flexibility MSAs: Los Angeles – Long Beach, CA; and San Francisco, CA.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.84 Contract Offer No. 84 – DS3 Special Access Offer (Cont'd)

33.84.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 33.84.2(A);
(B) Subject Services must be located in the MSAs listed in 33.84.2(C);
(C) Subject Services ordered pursuant to this Contract Offer must be new; and
(D) The Customer must provide documentation that an equivalent Subject Service is currently provided, or can be provided, by another carrier other than the Telephone Company. Documentation may include, but is not limited to, circuit detail records, invoices or service proposals.

33.84.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Telephone Company receives the Customer's Letter of Subscription (LOS). This Contract Offer is not renewable.

Upon the expiration of the Term Period, the Subject Services provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7

(B) General

(1) Purchase of Subject Services pursuant to this Contract Offer are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All Terms and Conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.84 Contract Offer No. 84 – DS3 Special Access Offer (Cont'd)

33.84.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(1) The Customer may not include Subject Services provided under this Contract Offer in any other contract offer, promotional offering as found in PBTC Tariff F.C.C. No. 1, Section 34, or other discount plan (e.g. MVP).

(2) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(3) If the Customer discontinues service under this Contract Offer during the Term Period, termination liability charges shall apply in accordance with Section 33.84.8.

(4) The Customer must provide the Telephone Company with an LOS.

(5) The Customer must purchase two (2) new Subject Services, as described in 33.84.2, within ninety (90) days of the commencement of the Term Period.

(6) The Customer may purchase one (1) additional Subject Service as described in 33.84.2 during the Term Period, for a maximum total of three (3) new Subject Services provided under this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.84 Contract Offer No. 84 – DS3 Special Access Offer (Cont'd)

33.84.5 Discounts and Charges

(A) Monthly Recurring Charges

The Customer must pay the following Monthly Recurring Charges (MRCs) for the rate elements listed in Tables A and B, below.

Table A

Rate Elements	**Applicable USOC**	**MRCs**
Channel Termination - Per Point of Termination – LSANCA02	Z3MAP	$973.25
Multiplexing	MQ3	$255.88

Table B

Rate Elements	**Applicable USOC**	**MRCs**
Channel Termination - Per Point of Termination – SNFCCA04	Z3MAP	$765.00
Multiplexing	MQ3	$264.78

(B) Non-Recurring Charges

The Customer must pay the Non-Recurring Charges (NRCs) for the initial installation of Subject Services provided under this Contract Offer.

Any rate elements not described herein shall be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1, Section 31.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.84 Contract Offer No. 84 - DS3 Special Access Offer (Cont'd)

33.84.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.84 Contract Offer No. 84 – DS3 Special Access Offer (Cont'd)

33.84.7 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.84.8 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7.4.11(B). If the Customer terminates this Contract Offer, or any Subject Services provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer must pay the Telephone Company a termination liability charge as described below. This charge shall become due as of the effective date of the termination, and is payable within 30 days of the billing invoice date.

The termination charge shall be equal to 50% of the MRC's for the balance of the Term Period, and will be calculated as follows:

(MRCs) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: Customer has $200,000 in MRCs. If the service is terminated after twelve (12) months, and has twenty-four (24) months remaining in a thirty-six (36) month Term Period, the termination charge would be calculated as:

($200,000 X 24 months) X 50% = $2,400,000 Termination Charge

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.85 Contract Offer No. 85 – Access Extension Offer

33.85.1 General Description

Contract Offer No. 85 – Access Extension Offer is an access discount plan that provides qualified customers with a credit for attainment of a Monthly Billing Commitment (MBC), as described in Section 33.85.4 (B).

This Contract Offer is available for subscription from March 30, 2006 to April 30, 2006.

33.85.2 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) Customer must be currently subscribed to MVP pursuant to Section 22 with an MVP Term Period that expires in 2006; and

(B) The Customer’s MVP MARC must be less than $25,000,000 and must be greater than $12,000,000.

33.85.3 Contributory Services

Qualified Access Services, as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 22.2, shall be deemed as Contributory Services for attainment of the MBC as described in 33.85.4 (B).

(A) Contributory Subject Services

Contributory Services, provided by the Telephone Company in the Metropolitan Statistical Areas (MSAs), as listed in Section 31.2, shall be deemed “Contributory Subject Services” under this Contract Offer. Contributory Subject Services are eligible for the monthly credit provided under this Contract Offer.

(B) Contributory Non-Subject Services

Contributory Services provided by the Telephone Company outside of the MSAs, as listed in Section 31.2, shall be deemed “Contributory Non-Subject Services” under this Contract Offer. Contributory Non-Subject Services shall not be eligible for the monthly credit provided under this Contact Offer.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.85 Contract Offer No. 85 – Access Extension Offer (Cont'd)

33.85.4 Terms and Conditions

(A) Term Period

Following subscription to this Contract Offer, the contract term (Term Period) shall be five (5) months commencing upon the expiration of the Customer's existing MVP agreement.

(B) Monthly Billing Commitment (MBC)

Pursuant to this Contract Offer, the Customer must attain the MBC for each month of the Term Period as described herein to be eligible for credits, as described in 33.85.5. The Customer's MBC shall be equal to 1/12th of their existing MVP MARC.

Attainment of the MBC will be determined monthly by the Telephone Company. The Telephone Company will compare the MBC to the combined total of the monthly recurring billing for Contributory Subject Services and Contributory Non-Subject Services.

Example: Upon subscription the Customer's existing MVP MARC is $12,120,000. The MBC would be ($12,120,000 x 1/12) or $1,010,000. At the end of Month 1, the Telephone Company billed the Customer $840,000 for Contributory Subject Services and $200,000 for Contributory Non-Subject Services, for a total monthly recurring billing of $1,040,000. Since the Customer attained its MBC, the Customer shall be eligible to receive the credit provided under this Contract Offer.

Failure to attain the MBC

If the monthly recurring billing is less than the MBC:

(1) The Customer must remit the difference between the actual monthly recurring billing and the MBC to the Telephone Company upon notification; and

(2) The Customer forfeits the monthly credit as provided in 33.85.5 for that month. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.85 Contract Offer No. 85 - Access Extension Offer (Cont'd)

33.85.4 Terms and Conditions (Cont'd)

(A) General

(1) Contributory Services, described in Section 33.85.3, are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No. 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All Terms and Conditions for the Contributory Services provided under this Contract Offer are governed by their otherwise applicable tariff sections.

(3) If the Customer terminates this Contract Offer in its entirety during the Term Period, termination liability charges shall apply in accordance with Section 33.85.8.

(4) To subscribe to this Contract Offer, the Customer must provide the Telephone Company with a Letter of Subscription.

(5) The Customer may not subscribe to a new MVP Agreement as described in Section 22 during the Term Period of this Contract Offer.

33.85.5 Monthly Credits

The Customer shall be eligible to receive a monthly credit under this Contract Offer, provided the Customer meets all the Terms and Conditions of this Contract Offer. Upon the monthly verification of the Customer's attainment of the MBC as described in 33.85.4 (B), the Telephone Company shall apply a monthly credit to the Contributory Subject Services.

The monthly credit shall equal $224,398.00 (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.85 Contract Offer No. 85 - Access Extension Offer (Cont'd)

33.85.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its rights and obligations of this Contract Offer, the Customer shall comply with the requirements of F.C.C. No. 1, Section 2.1.2. The Telephone Company shall acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, unless (1) the proposed assignee or transferee fails to establish credit worthiness under one of the criteria provided in (A) or (B) below, or (2) if the proposed assignee or transferee, or its parent company, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade; or

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (i.e: Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.85 Contract Offer No. 85 – Access Extension Offer (Cont'd)

33.85.7 Mergers/Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, terms and conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.85.8 Termination Liability

If the Customer terminates this Contract Offer during the Term Period, or is not in compliance with the Terms and Conditions of this Contract Offer, then the Customer will be liable for a termination charge which shall be equal to all Monthly Credits provided under this Contract Offer. The termination charges shall become due as of the effective date of the termination.

If the Customer elects to terminate this Contract Offer the Customer must provide written notification to the Telephone Company of their intent to terminate and the effective date of the termination.

Example: If the Contract Offer is terminated after two (2) months and the Customer received a credit of $224,398.00 for each month, the termination charge shall be calculated as:

$224,398.00 x 2 = $448,796.00

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.86 Contract Offer No. 86 – DS3 Special Access Offer

33.86.1 General Description

Contract Offer No. 86 – DS3 Special Access Offer is an access discount pricing plan that provides the Customer with discounted rates for new access services. Qualified services under Contract Offer No. 86 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs), as described in Section 33.86.2(C).

Contract Offer No. 86 is only available for subscription April 22, 2006 through May 22, 2006. This Contract Offer is not renewable.

33.86.2 Service Qualifications

(A) This Contract Offer applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff section(s):

(1) Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, High Capacity Service, Section 31.5.2.7.

(B) Subject Services provided under this Contract Offer must be configured according to the following criteria:

(1) Channels must be operated at the terminating bit rate of 44.736 Mbps (DS3).
(2) 'A' location must be connected to a Customer designated facility.

(C) Subject Services provided under this Contract Offer must be located in the following Pricing Flexibility MSAs: Los Angeles – Long Beach, CA; and San Francisco, CA.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.86 Contract Offer No. 86 – DS3 Special Access Offer (Cont'd)

33.86.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) The Customer must order Subject Services that are pricing flexibility qualified access services listed in Section 33.86.2(A);
(B) Subject Services must be located in the MSAs listed in 33.86.2(C);
(C) The Customer must order new Subject Services pursuant to this Contract Offer; and
(D) The Customer must provide documentation that an equivalent Subject Service is currently provided, or can be provided, by another carrier other than the Telephone Company. Documentation may include, but is not limited to, circuit detail records, invoices or service proposals.

33.86.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Telephone Company receives the Customer's Letter of Subscription (LOS). This Contract Offer is not renewable.

Upon the expiration of the Term Period, the Subject Services provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7

(B) General

(1) Subject Services provided pursuant to this Contract Offer are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All Terms and Conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.86 Contract Offer No. 86 – DS3 Special Access Offer (Cont'd)

33.86.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(1) The Customer may not include Subject Services provided under this Contract Offer in any other contract offer, promotional offering as found in PBTC Tariff F.C.C. No. 1, Section 34, or other discount plan (e.g. MVP).

(2) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(3) If the Customer discontinues service under this Contract Offer during the Term Period, termination liability charges shall apply in accordance with Section 33.86.8.

(4) The Customer must provide the Telephone Company with an LOS.

(5) The Customer must order two (2) new Subject Services, as described in 33.86.2, within ninety (90) days of the commencement of the Term Period or be subject to Termination Liability as described in Section 33.86.8

(6) The Customer may purchase one (1) additional Subject Service in either MSA as described in 33.86.2 (C) during the Term Period, for a maximum total of three (3) new Subject Services provided under this Contract Offer. The additional Subject Service would be subject to the rates in Section 33.86.5 (A).

(9) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC F.C.C. No. 1, Section 33, Contract Offer No. 84 for existing Subject Services to be provided under this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.86 Contract Offer No. 86 – DS3 Special Access Offer (Cont'd)

33.86.5 Discounts and Charges

(A) Monthly Recurring Charges

The Customer must pay the following Monthly Recurring Charges (MRCs) for the rate elements listed in Tables A and B, below.

Table A – Los Angeles – Long Beach, MSA

Rate Elements	ZONE	Applicable USOC	MRCs
Channel Termination - Per Point of Termination	1	Z3MAP	$973.25
Multiplexing		MQ3	$255.88

Table B – San Francisco, MSA

Rate Elements	ZONE	Applicable USOC	MRCs
Channel Termination - Per Point of Termination	2	Z3MAP	$765.00
Multiplexing		MQ3	$264.78

(B) Non-Recurring Charges

The Customer must pay the Non-Recurring Charges (NRCs) for the initial installation of Subject Services provided under this Contract Offer.

Any rate elements not described herein shall be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1, Section 31.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.86 Contract Offer No. 86 – DS3 Special Access Offer (Cont'd)

33.86.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.86 Contract Offer No. 86 – DS3 Special Access Offer (Cont'd)

33.86.7 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.86.8 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7.4.11(B). If the Customer terminates this Contract Offer, or any Subject Services provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer must pay the Telephone Company a termination liability charge as described below. This charge shall become due as of the effective date of the termination, and is payable within thirty (30) days of the billing invoice date.

The termination charge shall be equal to 50% of the MRC's for the balance of the Term Period, and will be calculated as follows:

(MRCs) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge.

Example: Customer has $1,200.00 in MRCs. If the service is terminated after twelve (12) months, and has twenty-four (24) months remaining in a thirty-six (36) month Term Period, the termination charge would be calculated as:

($1,200.00 X 24 months) X 50% = $14,400.00 Termination Charge.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.87 Contract Offer No. 87 - DS3 Special Access Offer

33.87.1 General Description

Contract Offer No. 87 - DS3 Special Access Offer is an access discount pricing plan that provides the Customer with discounted rates for new access service. Qualified service under Contract Offer No. 87 is available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA), as described in Section 33.87.2 (A). Contract Offer No. 87 is available for subscription April 28, 2006 through May 28, 2006. This Contract Offer is not renewable.

33.87.2 Eligibility Criteria

The following eligibility criteria must be met for pricing flexibility qualified service (hereafter referred to as Subject Service) to be provided under this Contract Offer:

(A) The Subject Service must be located in the following Pricing Flexibility MSA: San Diego, CA and Non-MSA, CA;

(B) Subject Service must be provided in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9 and Section 31.5.2.7; and

(C) The Customer must provide documentation that an equivalent Subject Service is currently provided or can be provided by another carrier other than the Telephone Company. Documentation may include, but is not limited to, circuit detail records, invoices or service proposals.

33.87.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Telephone Company provides Service to the Customer.

Upon the expiration of the Term Period, the Subject Service provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.87 Contract Offer No. 87 – DS3 Special Access Offer (Cont'd)

33.87.3 Terms and Conditions (Cont'd)

(A) Contract Subscription

(1) Contract Offer No. 87 is available for subscription April 28, 2006 through May 28, 2006.

(2) To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(B) General

(1) The Customer must purchase one (1) new DS3 service, configured as described below, within thirty (30) days of subscription to this Contract Offer:

(a) 'A' location must be cross connected to a Customer designated collocation facility;
(b) 'Z' location must be a Local Distribution Channel; and
(c) No interoffice transport.

(2) This Contract Offer will only apply to the purchase of one (1) new DS3 Service as described above.

(3) If the Customer should discontinue service under this Contract Offer during the Term Period, a termination charge will apply in accordance with Section 33.87.7 for the discontinued services.

(4) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6 of Subject Service under this Contract Offer, is prohibited.

(5) The Customer may not include Subject Service provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(6) All Terms and Conditions for the Subject Service provided under this Contract Offer are governed by PBTC Tariff F.C.C. No. 1, except as noted herein.

(7) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 2, Section 33, Contract Offer No. 81 for existing Subject Services to be provided under this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff. (N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.87 Contract Offer No. 87 – DS3 Special Access Offer (Cont'd)

33.87.4 Rates and Charges

The Customer must pay the following discounted Monthly Recurring Charge (MRC) as provided under this Contract Offer.

Rate Element	Applicable USOC	MRC
Fixed and Variable Mileage	1L5XX	$1,753.00

Any rate elements not described herein will be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1.

33.87.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of service under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.87 Contract Offer No. 87 – DS3 Special Access Offer (Cont'd)

33.87.6 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Service from the Telephone Company, the Subject Service, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.87.7 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7.4.11(B). If the Customer requests termination of this Contract Offer, or requests termination of individual Subject Service provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer will be liable for a termination charge. This charge shall become due as of the effective date of the termination and is payable within thirty (30) days of the billing invoice date.

The termination charge shall be equal to 50% of the Monthly Recurring Charges (MRC) for the balance of the Term Period, and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: Customer has $1,700 in Monthly Recurring Charges. If the service is terminated after six (6) months and has six (6) months remaining in a twelve (12) month Term Period, the termination charge would be calculated as:

($1,700 X 6 months) X 50% = $5,100 Termination Charge (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.88 Contract Offering No. 88 – DS3 Service Offer

33.88.1 General Description

Contract Offer No. 88 – DS3 Service Offer is an access discount pricing plan that provides the Customer with discounted rates for new and existing DS3 Services. Qualified services under Contract No. 88 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) described in Section 33.88.2 (A). The Customer must meet the eligibility criteria set forth in Section 33.88.2, and also must comply with the Terms and Conditions as described in Section 33.88.3. This Contract Offer is available from May 3, 2006 through June 3, 2006, and is not renewable.

All Terms and Conditions for the services provided under this Contract Offer are governed by Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, except as noted herein.

33.88.2 Eligibility Criteria

The following eligibility criteria must be met to purchase pricing flexibility qualified services (hereafter referred to as Subject Services) under this Contract Offer:

(A) Subject Services must be located in the following Pricing Flexibility MSAs: Bakersfield, Fresno, Los Angeles/Long Beach, Modesto, Oxnard/Ventura, Sacramento, San Diego, San Francisco/Oakland, San Jose, Santa Rosa, and Stockton, CA; and

(B) Subject Services must be provided in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7 – Fiber Advantage[SM] DS3. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.88 Contract Offering No. 88 – DS3 Service Offer (Cont'd)

33.88.3 Terms and Conditions

(A) Term Period

The term of this Contact Offer (Term Period) shall be three (3) years, commencing on the date the Customer submits a Letter of Subscription (LOS) to the Telephone Company. This Offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment plan options as described in PBTC Tariff F.C.C. No. 1, Section 31.5 for DS3 Service.

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment plan as described in the PBTC Tariff F.C.C. No. 1, Section 31.5, Subject Services will be converted to the prevailing applicable monthly extension tariff rates.

(B) Terms and Conditions

(1) This Contract Offer is available for subscription from May 3, 2006 through June 3, 2006.

(2) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(3) The Customer may include any existing DS3 Subject Services under this Contract Offer if those services were installed after January 20, 2006 and are currently on a one (1) year term plan. The Telephone Company shall waive otherwise applicable termination liability charges under Section 7 for all such existing DS3 Subject Services that are included under this Contract Offer.

(4) The Customer may purchase new Subject Services or include existing Subject Services under this Contract Offer up to the last four (4) months of the Term Period.

(5) The Subject Services must originate and terminate at a Mobile Telephone Switching Office (MTS0). (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.88 Contract Offering No. 88 – DS3 Service Offer (Cont'd)

33.88.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(1) The Subject Services must not be greater than thirty (30) channel miles.

(2) The Telephone Company shall waive otherwise applicable termination liability charges for Subject Services moved or disconnected, provided that the Subject Services were in service for a minimum of four (4) months pursuant to this Contract Offer. After the minimum in service period, the Customer may disconnect or move the Subject Service without incurring termination liability described in 33.88.7. In the event that termination liability charges for these moves and/or disconnections are assessed by the Telephone Company and paid by the Customer, the Telephone Company will credit these charges quarterly, provided the Eligibility Criteria in Section 33.88.2, and Terms and Conditions in Section 33.88.3 have been met.

(3) If the Customer discontinues or moves Subject Services under this Contract Offer during the four (4) month minimum in service period described in 33.88.3(B)(7) above, a termination charge will apply in accordance with Section 33.88.7.

(4) End-to-end facilities provided by the Telephone Company must exist for each DS3 Subject Service. End-to-end facilities include: conduit, fiber, network equipment, bays, racks and shelves. Additional fiber splicing and electronic cards needed to deliver DS3 Subject Services are permitted.

(5) Except as provided for in Section 33.88.3(B)(11) below, Subject Services under this Contract Offer may not be included in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(6) Revenues under this Contract Offer will be eligible for inclusion in the Managed Value Plan (MVP) offering in Section 22.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.88 Contract Offering No. 88 – DS3 Service Offer (Cont'd)

33.88.4 Rates and Charges

The Customer must pay the following flat rate Monthly Recurring Charges (MRCs) and Non-recurring Charges (NRCs) for each Subject Service provided under this Contract Offer.

Channel Mileage Bands	Zone	DS3 with 0 Channel Termination		DS3 with 1 Channel Termination		DS3 with 2 Channel Terminations	
		MRC	**NRC**	**MRC**	**NRC**	**MRC**	**NRC**
1 – 10 miles	1,2,3	$ 886	$750	$4,330	$2,500	$7,774	$5,000
11 – 20 miles	1,2,3	$1,247	$750	$4,691	$2,500	$8,135	$5,000
21 – 30 miles	1,2,3	$1,609	$750	$5,053	$2,500	$8,497	$5,000

The Flat rate MRC for DS3 service includes the following rate elements:

DS3 Service- Rate Element	USOC	QTY
Channel Termination- Per Point of Termination	Z3MAC/Z3MAP	0-2
Channel Mileage - Fixed	1L5XX	1
Channel Mileage – Per Mile	1L5XX	1 - 30

33.88.5 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.88 Contract Offering No. 88 – DS3 Service Offer (Cont'd)

33.88.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.88 Contract Offering No. 88 – DS3 Service Offer (Cont'd)

33.88.7 Termination Liability

This termination liability language applies in lieu of termination liability language contained in PBTC Tariff F.C.C. No. 1, Section 7. If the Customer terminates this Contract Offer, or terminates any Subject Service provided under this Contract Offer for any reason, except as provided in Section 33.88.3 (B)(7), or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer shall be liable for a termination charge described below. This charge shall become due as of the effective date of the termination and is payable within thirty (30) days of the billing invoice date.

The termination charge shall be equal to 100% of the MRCs for the balance of the four (4) month minimum in service period for each affected Subject Service, and will be calculated as follows:

MRC multiplied by (months remaining in the minimum installation period) multiplied by (termination liability percentage of 100%) = Termination Charge

Example: The Customer has ten (10) DS3 services with $50,000 in MRCs. If the services were terminated after three (3) months and has one (1) month remaining in a four (4) month minimum service period, the termination charge would be calculated as:

$50,000 X 1 month X 100% = $50,000 Termination Charge

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 89 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-799

33. [1] (D)

[1] See footnote (1) on page 33-799

33. [1] (D)

[1] See footnote (1) on page 33-799

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33. [1] (D)

[1] See footnote (1) on page 33-799

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33. [1] (D)

[1] See footnote (1) on page 33-799

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.90 Contract Offer No. 90 - DS3 Special Access Offer

33.90.1 General Description

Contract Offer No. 90 - DS3 Special Access Offer is an access discount pricing plan that provides the Customer with discounted rates for new access service. Qualified service under Contract Offer No. 90 is available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA), as described in Section 33.90.2 (A). Contract Offer No. 90 is available for subscription May 12, 2006 through June 12, 2006. This Contract Offer is not renewable.

33.90.2 Eligibility Criteria

The following eligibility criteria must be met for pricing flexibility qualified service (hereafter referred to as Subject Service) to be provided under this Contract Offer:

(A) The Subject Service must be located in the following Pricing Flexibility MSA: San Diego, CA and Non-MSA, CA;

(B) Subject Service must be provided in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9 and Section 31.5.2.7; and

(C) The Customer must provide documentation that an equivalent Subject Service is currently provided, or can be provided, by another carrier other than the Telephone Company. Documentation may include, but is not limited to, circuit detail records, invoices or service proposals.

33.90.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Telephone Company provides Service to the Customer.

Upon the expiration of the Term Period, the Subject Service provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.90 Contract Offer No. 90 – DS3 Special Access Offer (Cont'd)

33.90.3 Terms and Conditions (Cont'd)

(A) Contract Subscription

(1) Contract Offer No. 90 is available for subscription May 12, 2006 through June 12, 2006.

(2) To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(B) General

(1) The Customer must purchase one (1) new DS3 service, configured as described below, within thirty (30) days of subscription to this Contract Offer:

(a) 'A' location must be cross connected to a Customer designated collocation facility; and
(b) 'Z' location must be a Local Distribution Channel;

(2) This Contract Offer will only apply to the purchase of one (1) new DS3 Service as described above.

(3) If the Customer should discontinue service under this Contract Offer during the Term Period, a termination charge will apply in accordance with Section 33.90.7 for the discontinued services.

(4) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6, of Subject Service under this Contract Offer, is prohibited.

(5) The Customer may not include Subject Service provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(6) All Terms and Conditions for the Subject Service provided under this Contract Offer are governed by PBTC Tariff F.C.C. No. 1, except as noted herein.

(7) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 87 for existing Subject Services to be provided under this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.90 Contract Offer No. 90 – DS3 Special Access Offer (Cont'd)

33.90.4 Rates and Charges

The Customer must pay the following discounted Monthly Recurring Charge (MRC) as provided under this Contract Offer.

Rate Element	Applicable USOC	MRC
Fixed and Variable Mileage	1L5XX	$1,753.00

Any rate elements not described herein will be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1, Section 31.

33.90.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of service under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.90 Contract Offer No. 90 – DS3 Special Access Offer (Cont'd)

33.90.6 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Service from the Telephone Company, the Subject Service, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.90.7 Termination Liability

The termination liability language, as described below, applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7.4.11(B). If the Customer requests termination of this Contract Offer, or requests termination of individual Subject Service provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer will be liable for a termination charge. This charge shall become due as of the effective date of the termination, and is payable within thirty (30) days of the billing invoice date.

The termination charge shall be equal to 50% of the Monthly Recurring Charges (MRC) for the balance of the Term Period, and will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: Customer has $1,700 in Monthly Recurring Charges. If the service is terminated after six (6) months and has six (6) months remaining in a twelve (12) month Term Period, the termination charge would be calculated as:

($1,700 X 6 months) X 50% = $5,100 Termination Charge

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.91 Contract Offer No. 91 – [1] Service Offer (D)

33.91.1 General Description

[1] Service Offer (Contract Offer No. 91) is an access services discount pricing plan that permits Customers that meet the Eligibility Criteria in Section 33.91.3, and the Terms & Conditions in Section 33.91.4, to purchase Subject Services in Section 33.91.2 at the discounted rates listed in Section 33.91.5. Subject Services provided under Contract Offer No. 91 are available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) listed in Section 33.91.3(B). Contract Offer No. 91 is available for subscription from May 13, 2006 through June 13, 2006. This Contract Offer is not renewable.

33.91.2 Subject Services

(A) Contract Offer No. 91 applies to the following pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) [1]; (D)

(2) PBTC Tariff F.C.C. No. 1, Section 7.2.9 – DS3 High Capacity Service;

(3) PBTC Tariff F.C.C. No. 1, Section 7.2.9 – DS1 High Capacity Service; and

(4) [1]. (D)

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

33.91.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 91 discounted rates:

(A) Services must be pricing flexibility qualified access services listed in Section 33.91.2(A);
(B) Services must be located in the San Diego, CA MSA;
(C) Subject Services ordered pursuant to this Contract Offer must be new; and
(D) All traffic must originate or terminate at a Mobile Switching Center(MSC).

[1] Material previously contained in this section has been deleted. DSRS and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 91 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be five (5) years commencing on the date billing begins. Billing shall begin no later than thirty (30) days after the Telephone Company's completion of the [1] access service request. This offer is not renewable. (D)

At the expiration of the Term Period, the Customer may choose from the payment options described in PBTC Tariff F.C.C. No. 1, Sections [1] and 31, for [1]. If, at the expiration of the Customer's Contract Term Period, the Customer does not choose to disconnect or to select one of those payment options, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 31. (D)

Rate stability under Contract Offer No. 91 shall apply only to the rates specific to this Contract Offer, as provided in the Rate Table in Section 33.91.5. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer. Subject Services are also subject to general terms and conditions of PBTC F.C.C. Tariff No. 1, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

[1] See footnote (1) on page 33-809

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.4 Terms and Conditions (Cont'd)

(B) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(C) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the documented actual costs incurred by the Telephone Company up to the date of cancellation.

(D) If the Customer discontinues service under Contract Offer No. 91 and/or terminates this Contract Offer in its entirety during the Term Period, termination liability charges will apply in accordance with Section 33.91.10.

(E) Any additional service features or functions not included in Section 33.91.5 of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to Section 31 - Metropolitan Statistical Area Access Services.

(F) The Customer must purchase, at minimum, the following services, all of which must be located in the San Diego, CA MSA:
(i) Two (2) new [1] rings to be ordered within thirty (30) days of contract subscription; (D)
(ii) Seven Hundred (700) new subtending DS1 services, to be installed within eighteen (18) months of contract subscription; and
(iii) Sixty (60) new subtending DS3 services, to be installed within eighteen (18) months of contract subscription.

(G) All [1], DS3 and DS1 elements listed in Section 33.91.5 must subtend [1] Services ordered pursuant to this Contract Offer. (D) (D)

(H) The Customer may not combine this Contract Offer with any other promotional, contract offering, or discount Plan.

33.91.5 Rates and Charges

(A) [1] Service Rates and Charges: (D)
The Customer shall receive a twenty-five (25) percent discount off the current sixty (60) month term rate elements provided in Section [1] for [1] Service, as calculated and reflected in Table A. Prevailing tariff NRCs (NRCs)in Sections [1] and 31 for [1] service shall apply. (D) (D)

[1] See footnote (1) on page 33-809

(This page filed under Transmittal No. 385)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.5 Rates and Charges (Cont'd)

(A) (Cont'd)

Table A

(D)

[1] **Rate Elements**	**USOC**	**Rate**
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
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[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

[1] See footnote (1) on page 33-809

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.5 Rates and Charges (Cont'd)

(A) (Cont'd)

(D)

New [1] that are added after the installation of the initial [1], pursuant to 33.91.5(A), the Term Plan applicable to the new [1] Service will be co-terminus with the Term Period provided in section 33.91.4(A) of this Contract Offer, except as otherwise provided below: (D)

If new [1] service is ordered during the last twelve (12) months of the Term Period, the Customer will be billed, and must pay, the Monthly Recurring Rates (MRCs) listed above for a minimum period of twelve (12) months to be billed as a lump sum at the end of the Term Period. If the application of this Section 33.91.5 results in a term of less than twelve (12) months applicable to any [1] Service, the Customer shall be billed at the above MRCs as a lump sum to be billed at the end of the Term Period. The lump sum would be calculated by multiplying the number of months times the MRCs as outlined in this Section. (D)

(B) Subtending DS3 Service Rates and Charges:
The Customer will receive a twenty-five (25) percent discount off the current sixty (60) month term rates provided in Section 31.5.2 for DS3 High Capacity Service, as calculated and reflected in Table B, below.

Table B

DS3 Element	**USOC**	**Rate**
LDC	Z3MA+	$ 727.50
Transport Mileage-Fixed	1L5XX	$ 300.00
Transport Mileage-Variable	1L5XX	$ 13.13
Multiplexing	MQ3/MQ4	$ 206.25

When a DS3 is added to the [1], the DS3 shall be subject to a sixty (60) month service term. Prevailing tariff NRCs for DS3 service shall apply. (D)

[1] See footnote (1) on page 33-809

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.5 Rates and Charges (Cont'd)

(B) Subtending DS3 Service Rates and Charges: (Cont'd)

Following the end of the Term Period of this Contract Offer, any DS3 service purchased subject to this Contract Offer shall be provided according to the rates, terms and conditions of the otherwise applicable sixty (60) month term plan found in PBTC Tariff F.C.C. No. 1, Section 31.5.2. Otherwise applicable NRCs for DS3 service shall apply as referenced in Section 31.

(C) Subtending DS1 Service Rates and Charges:
The Customer will receive a fifteen (15) percent discount off the current sixty (60) month term rates provided in Section 31.5.2 for High Capacity DS1 Service, as calculated and reflected in Table C, below.

Table C

DS1		
Element	**USOC**	**Rate**
DS1 CHANNEL TERMINATION - Per Point of Termination	TMECS	$ 85.00
FIXED Mileage	1L5XX	$ 29.75
PER MILE Variable	1L5XX	$ 7.23
CENTRAL OFFICE MULTIPLEXING - DS1 to VOICE/DATA	MQ1	$136.00

(D)

When a DS1 is added to the [1], the DS1 shall be subject to a sixty (60) month service term. Prevailing tariff NRCs for DS1 service shall apply. (D)

(D) Subtending [1] Service Rates and Charges:
Customer will receive a twenty-five (25) percent discount off the current sixty (60) month term rate (D)
elements set forth in Sections 31 or [1], [1] Service, (D)
for any [1] service that subtends [1] Services ordered pursuant to this Contract Offer, as calculated and reflected in Table D.

[1] See footnote (1) on page 33-809

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.5 Rates and Charges (Cont'd)

(D) Subtending [1] Service Rates and Charges: (Cont'd) (D)

Table D

[1]			(D)
Element	**USOC**	**Rate**	
[1]			
[1]			
[1]			
[1]			
[1]			
[1]			
Element	**USOC**	**Rate**	
[1]			
[1]			
[1]			
[1]			
[1]			
[1]			
Element	**USOC**	**Rate**	
[1]			
[1]			
[1]			
[1]			
[1]			
[1]			
Element	**USOC**	**Rate**	
[1]			
[1]			
[1]			
[1]			
[1]			(D)

[1] See footnote (1) on page 33-809

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Ring Service Offer (Cont'd) (D)

33.91.5 Rates and Charges (Cont'd)

(D) Subtending [1] Service Rates and Charges: (Cont'd) (D)

When an [1] is added to the [1], the [1] shall be subject to a sixty (60) month service term. Prevailing tariff NRCs for [1] service shall apply. (D) (D)

Following the end of the Term Period, any [1] service purchased subject to this Contract Offer shall be provided according to the rates, terms and conditions of the otherwise applicable sixty (60) month term plan found in PBTC Tariff F.C.C. No. 1, Section 31.5.2. Otherwise applicable NRCs for [1] service shall apply as referenced in Section 31.

33.91.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

[1] See footnote (1) on page 33-809

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.7 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.91.8 Upgrade Option

(A) If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, and such new offering(s) employ new technology not available from the Telephone Company at the commencement of the Term Period, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided, however, that the contract offer, other contract or tariff governing the new service includes a term period and billing equal to, or greater than, that of this Contract Offer. The Customer may exercise the upgrade option provided the following conditions are met:

(1) The Customer must meet all eligibility requirements outlined in Section 33.91.3, and Terms and Conditions outlined in Section 33.91.4;

(2) The Customer must notify the Telephone Company ninety (90) days prior to exercising this option; and

(3) The Customer will be responsible for all NRCs associated with the upgrade, as well as any Special Construction Charges incurred by the Telephone Company to provision the upgraded service.

[1] See footnote (1) on page 33-809

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.9 Portability

The Telephone Company will waive otherwise applicable termination liability charges for moves of existing DS1 and DS3 Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis.

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer;

(B) DS1 Subject Services must have been in service for a minimum of twelve (12) months to be eligible for portability;

(C) DS3 Subject Services must have been in service for a minimum of two (2) years to be eligible for portability; and

(D) [1] Subject Services must have been in service for a minimum of two (2) years to be eligible for portability. (D)

33.91.10 Termination Liability

Termination liability language shall apply as described below in lieu of the termination liability provisions of Tariff F.C.C. No. 1, Sections 7, 20, [1], 31 or [1]. If the Customer discontinues services and/or terminates this Contract Offer before the completion of the Term Period for any reason, except as provided under Section 33.91.9, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the Eligibility Criteria in Section 33.91.3, or the Terms and Conditions in Section 33.91.4. (D)

These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described below.

The Customer's termination liability charges shall be equal to:

50% of all MRCs for the balance of the Customer's five (5) year Term Period for all services under contract ([1], [1], DS3 and DS1 services). (D)

Upon termination, all Subject Services then remaining in service will be converted to the prevailing month to month extension tariff rates applicable to the Subject Service. Prevailing tariff rates are highlighted in PBTC Tariff F.C.C. No. 1, Section 31 for Phase 2 MSAs.

[1] See footnote (1) on page 33-809

33. Pricing Flexibility Contract Offerings (Cont'd)

33.91 Contract Offer No. 91 – [1] Service Offer (Cont'd) (D)

33.91.10 Termination Liability (Cont'd)

The termination liability charge shall be calculated as follows:

(MRCs) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $75,000 Monthly Recurring Charge terminates service after three(3) years, and has twenty-four (24) months remaining on the five (5) year Term Period. The termination liability would be calculated as:

($75,000 X 24 months) X 50% = $900,000 termination liability charge

[1] See footnote (1) on page 33-809

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 92 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-820

33. [1] (D)

[1] See footnote (1) on page 33-820

33. [1] (D)

[1] See footnote (1) on page 33-820

33. [1] (D)

[1] See footnote (1) on page 33-820

33. [1] (D)

[1] See footnote (1) on page 33-820

33. [1] (D)

[1] See footnote (1) on page 33-820

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term

33.93.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DS0 multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity,

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity, (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.93.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity, and

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 938 Kbps of capacity.

(A) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31 If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.93.2 Contract Terms

(A) Contract Offering No. 93 is available during the purchase period which begins June 9, 2006 and ends December 9, 2006.

(B) Pacific Bell Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 93.

(1) The Access Order Charge described in Section 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 93, is the initial contract term.

(4) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in Section 5.1.1. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.93.2 Contract Terms (Cont'd)

(C) The initial contract term for Contract Offering No. 93 is one (1) year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(D) At the conclusion of the initial contract term, Contract Offering No. 93 will be automatically converted to the applicable monthly renewal rate, found in Section 33.93.3 (B). The Customer may terminate Contract Offering No. 93 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 93 upon thirty (30) days written notice any time following the completion of the initial contract term.

(E) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(F) No other discount pricing plans apply.

(G) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 93.

(H) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 93 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.93.2(L). The termination charge for Contract Offering No. 93 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(I) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 93 terminated, and the termination charges described in Section 33.93.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one -half of the nonrecurring charge to install service as reflected in Section 33.93.3(B).

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term (Cont’d)

33.93.2 Contract Terms (Cont’d)

(C) The Customer may elect to discontinue Contract Offering No. 93 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.93.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user’s premises to which Contract Offering No. 93 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer’s initial contract term for Contract Offering No. 93, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer’s initial contract term for Contract Offering No. 93.

(D) Contract Offering No. 93 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company’s intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 93 terminated. If Contract Offering No. 93 is terminated during the initial contract term, the termination charges described in Section 33.93.2(J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.93.2 Contract Terms (Cont'd)

(C) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(D) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements,

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.93.1(B),

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service, and

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.15(B), and the Service Rearrangement Charge reflected in Section 33.93.3(B) applies.

33.93.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge applies for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.93 Contract Offering No. 93 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.93.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering

33.94 Contract Offering No. 94 – Access Advantage Plus Transport Service – Two Year Term

33.94.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity,

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity, (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.94 Contract Offering No. 94 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.94.1 General Description (Cont'd)

(B)(Cont'd)

(1)Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity,

(2)Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity, and

(3)Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31 If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.94 Contract Offering No. 94 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.94.2 Contract Terms

(A) Contract Offering No. 94 is available during the purchase period which begins June 9, 2006 and ends December 9, 2006.

(B) Pacific Bell Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 94.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6, for Contract Offering No. 94, is the initial contract term.

(4) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in Section 5.1.1. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.94 Contract Offering No. 94 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.94.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 94 is two (2) years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 94 will be automatically converted to the applicable monthly renewal rate, found in Section 33.94.3 (B). The Customer may terminate Contract Offering No. 94 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 94 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 94.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 94 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.94.2(L). The termination charge for Contract Offering No. 94 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 94 terminated, and the termination charges described in Section 33.94.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the nonrecurring charge to install service as reflected in Section 33.94.2(B).

(N)

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.94 Contract Offering No. 94 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.94.2 Contract Terms (Cont'd)

(L) The Customer may elect to discontinue Contract Offering No. 94 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.94.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 94 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 94, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 94.

(M) Contract Offering No. 94 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 94 terminated. If Contract Offering No. 94 is terminated during the initial contract term, the termination charges described in 3 Section 3.94.2(J) apply. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.94 Contract Offering No. 94 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.94.2 Contract Terms (Cont'd)

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements,

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.94.1(B),

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service, and

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B), and the Service Rearrangement Charge reflected in Section 33.94.3(B) applies.

33.94.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

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ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.94 Contract Offering No. 94 - Access Advantage Plus Transport Service - Two Year Term (Cont'd)

33.94.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(1) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

	Monthly Rate	Nonrecurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service – Three Year Term

33.95.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(A) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity,

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity,

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.95.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity,

(2) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity, and

(3) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31 If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs (N) pursuant to this Contract Offer.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.95.2 Contract Terms

(A) Contract Offering No. 95 is available during the purchase period which begins June 9, 2006 and ends December 9, 2006.

(B) Pacific Bell Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 95.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in Section 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 95, is the initial contract term.

(5) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(1) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.95.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in Section 5.1.1.

(E) The initial contract term for Contract Offering No. 95 is three (3) years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 95 will be automatically converted to the applicable monthly renewal rate, found in Section 33.95.3 (B). The Customer may terminate Contract Offering No. 95 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 95 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 95.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 95 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.95.2(L). The termination charge for Contract Offering No. 95 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows: (N)

(Monthly rate) x (Months remaining in initial contract term) x (50%)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.95.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 95 terminated, and the termination charges described in Section 33.95.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The Customer may elect to discontinue Contract Offering No. 95 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.95.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 95 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 95, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 95.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.95.2 Contract Terms (Cont'd)

(M) Contract Offering No. 95 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 95 terminated. If Contract Offering No. 95 is terminated during the initial contract term, the termination charges described in Section 33.95.2(J) apply.

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements,

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.95.1(B),

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service, and

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B) and the Service Rearrangement Charge reflected in Section 33.95.3(B) applies. (N)

(This page filed under Transmittal No. 297)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.95 Contract Offering No. 95 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.95.3 Rate Regulations

(A) Types of Rates and Charges

(1) Nonrecurring charges are one-time charges that apply for specific work activities.

(a) A nonrecurring charge does not apply for installation of each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A nonrecurring charge applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Nonrecurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. Pricing Flexibility Contract Offerings

33.96 Contract Offer No. 96 – [1] Service Offer (D)

33.96.1 General Description

Contract Offer No. 96 - [1] Service Offer is an access discount pricing plan that permits Customers that meet the Eligibility Criteria in Section 33.96.3 and the Terms & Conditions in Section 33.96.4 to purchase Subject Services in Section 33.96.2 at the discounted rates listed in Section 33.96.5. Subject Services provided under Contract Offer No. 96 are available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) described in Section 33.96.3(B). Contract Offer No. 96 is available for subscription from June 14, 2006 through July 14, 2006. This Contract Offer is not renewable. (D)

33.96.2 Subject Services

(A) Contract Offer No. 96 applies to the following pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) [1]; (D)

(2) PBTC Tariff F.C.C. No. 1, Section 7 or 31.5.2.7 – DS3 High Capacity Service;

(3) PBTC Tariff F.C.C. No. 1, Section 7 or 31.5.2.7 – DS1 High Capacity Service; and

(4) [1]. (D)

(B) All terms and conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

33.96.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 96 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 33.96.2(A);
(B) Subject Services must be located in the Los Angeles, CA MSA;
(C) Subject Services ordered pursuant to this Contract Offer must be new; and
(D) All traffic must originate or terminate at a Mobile Switching Center(MSC).

[1] Material previously contained in this section has been deleted. DSRS and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 96 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be five (5) years commencing on the date billing begins. Billing shall begin no later than thirty (30) days after the Telephone Company's completion of the [1] Access Service Request. This offer is not renewable. (D)

At the expiration of the Term Period, the Customer may choose from the payment options described in PBTC Tariff F.C.C. No. 1, Section [1] and 31 for [1], [1], DS3 and DS1 Service. If, at the expiration of the Customer's Contract Term Period, the Customer does not choose to disconnect or to select one of those payment options, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 31. (D)

Rate stability under Contract Offer No. 96 shall apply only to the rates specific to this Contract Offer, as provided in the Rate Tables in Section 33.96.5 of this Contract Offer. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer. Subject Services are also subject to general terms and conditions of PBTC F.C.C. Tariff No. 1, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

Purchase of the Subject Services in 33.96.2 is subject to the specific Terms and Conditions of this Contract Offer. Purchase of the Subject Services in 33.96.2 is also subject to general terms and conditions of F.C.C. Tariff No. 1 and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

(B) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(C) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

[1] See footnote (1) on page 33-848

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.4 Terms and Conditions (Cont'd)

(D) If the Customer discontinues service under Contract Offer No. 96 and/or terminates this Contract Offer in its entirety during the Term Period, termination liability charges will apply in accordance with Section 33.96.8.

(E) Any additional service, features or functions not included in Section 33.96.5 of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to Section 31 - Metropolitan Statistical Area Access Services.

(F) The Customer must purchase, at minimum, the following new Subject Services, all of which must be located in the Los Angeles, CA MSA:

(i) Two (2) [1] with the configurations outlined in Section 33.96.5, to be ordered within thirty (30) days of contract subscription; (D)

(ii) Fifty (50) subtending DS3 services, to be installed within 18 months of contract subscription; and

(iii) Two thousand (2000) subtending DS1 services, to be installed within twenty-four (24) months of contract subscription.

(G) All [1], DS3 and DS1 elements listed in Section 33.96.5 must subtend [1] Services ordered pursuant to this Contract Offer. (D) (D)

(H) The Customer may not combine this Contract Offer with any other promotional, contract offering, or discount plan.

33.96.5 Rates and Charges

(A) [1] Service Rates and Charges: (D)

The Customer shall receive discounted rates provided below off the sixty (60) month term rate elements provided in Section [1] for [1] Service, as outlined in Table A on the following page, provided the first two (2) [1] Services ordered pursuant to this Contract have five (5) Central Office [1] ([1]) and at least one (1) Customer Premise [1] ([1]) on each of the first two (2) [1]. Prevailing tariff Non-Recurring Charges (NRCs) in Section [1] and 31 for [1] service shall apply. (D) (D) (D) (D) (D) (D)

[1] See footnote (1) on page 33-848

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.5 Rates and Charges (Cont'd)

(A) [1] Service Rates and Charges: (Cont'd) (D)

Table A (D)

[1] Rate Elements	USOC	Rate
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
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[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

[1] See footnote (1) on page 33-848

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.5 Rates and Charges (Cont'd)

(A) [1] Service Rates and Charges: (Cont'd) (D)

(D)
If new [1] are added after the installation of the initial [1] pursuant to 33.96.5(A), the Term Plan applicable to any new [1] Service will be co-terminus with the Term Period provided in Section 33.96.4(A) of this Contract Offer, except as otherwise provided below: (D) (D)

(D)
If new [1] service is ordered during the last twelve (12) months of the Term Period, the Customer will be billed, and must pay, the Monthly Recurring Rates (MRCs) listed in Table A for a minimum service term period of twelve (12) months from the date upon which the Subject Service is placed in service. If the application of this Section 33.96.5 results in a service term period extending beyond the Term Period of this Contract offer, then any charges remaining during the service term period shall be billed and paid as a lump sum at the end of the Term Period. The lump sum shall be calculated by multiplying the number of months times the MRCs as outlined in this Section.

(A) Subtending DS3 Service Rates and Charges:

The Customer shall receive the discounted rates provided below off the sixty (60) month term rates provided in Section 31.5.2.7 for High Capacity DS3 Service, as outlined in Table B below.

Table B

DS3 Element	**USOC**	**Zone 1**	**Zone 2**	**Zone 3**
Channel Termination	Z3MA+	$727.50	$743.00	$757.50
Channel Mileage-Fixed	1L5XX	$300.00	$308.00	$326.25
Channel Mileage-Per Mile	1L5XX	$ 13.13	$ 15.00	$ 16.88
Multiplexing	MQ3/MQ4	$206.25	$214.00	$221.25

(D)
When a DS3 is added to the [1], the DS3 shall be subject to a sixty (60) month service term. Prevailing tariff NRCs for DS3 service shall apply.

[1] See footnote (1) on page 33-848

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.5 Rates and Charges (Cont'd)

(B) Subtending DS3 Service Rates and Charges: (Cont'd)

Following the end of the Term Period of this Contract Offer, any DS3 service purchased subject to this Contract Offer shall be provided according to the rates, terms and conditions of the applicable sixty (60) month term plan found in Section 7 or 31.5.2.7. Otherwise, applicable NRCs for DS3 service shall apply as referenced in Section 31.

(A) Subtending DS1 Service Rates and Charges:

The Customer shall receive the discounted rates provided below off the sixty (60) month term rates provided in Section 31.5.2.7 for High Capacity DS1 Service, as outlined in Table C.

Table C

DS1				
Element	**USOC**	**Zone 1**	**Zone 2**	**Zone 3**
Channel Termination	TMECS	$ 80.00	$ 88.00	$ 96.00
Channel Mileage-Fixed	1L5XX	$ 28.00	$ 30.00	$ 32.00
Channel Mileage-Per Mile	1L5XX	$ 6.80	$ 7.00	$ 7.40

(D)

When a DS1 is added to the [1], the DS1 shall be subject to a sixty (60) month service term. Prevailing tariff NRCs for DS1 service shall apply.

Following the end of the Term Period of this Contract Offer, any DS1 service purchased subject to this Contract Offer shall be provided according to the rates, terms and conditions of the applicable sixty (60) month term plan found in Section 7 or [1]. (D)
Otherwise, applicable NRCs for DS1 service shall apply as referenced in Section 31

(D) Subtending [1] Rates and Charges: (D)

The Customer shall receive the discounted rates provided in Table D on the following page, off the sixty (60) month term rate elements set forth in Section [1], [1] Service for any [1] service that subtends (D)
[1] Services ordered pursuant to this Contract Offer, as outlined in Table D. (D)

[1] See footnote (1) on page 33-848

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.5 Rates and Charges (Cont'd)

(A) (Cont'd)

Table D (D)

[1] Service		
Element	**USOC**	**RATE**
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
Element	**USOC**	**RATE**
[1]		
[1]		
[1]		
[1]		
[1]		

(D)
(D)

When an [1] service is added to the [1], the [1] service shall be subject to a sixty (60) month service term. Prevailing tariff NRCs for [1] service shall apply. (D)

Following the end of the Term Period of this Contract Offer, any [1] service purchased subject to this Contract Offer shall be provided according to the rates, terms and conditions of the applicable sixty (60) month term plan found in Section [1] or [1]. Otherwise, applicable NRCs for [1] service shall apply as referenced in Section 31. (D) (D) (D)

[1] See footnote (1) on page 33-848

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet

33.96.7 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

[1] See footnote (1) on page 33-848

33. Pricing Flexibility Contract Offerings (Cont'd)

33.96 Contract Offer No. 96 – [1] Service Offer (Cont'd) (D)

33.96.8 Termination Liability

Termination liability language shall apply as described below in lieu of the termination liability provisions of PBTC Tariff F.C.C. No. 1, Sections 7, [1], [1], 31 or [1]. (D) If the Customer discontinues services and/or terminates this Contract Offer before the completion of the Term Period for any reason, the Customer must pay the Telephone Company termination liability charges as described below. Termination Liability charges will also apply if the Customer is not in compliance with the Eligibility Criteria in Section 33.96.3 or the Terms and Conditions in Section 33.96.4.

These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described below.

The Customer's termination liability charges shall be equal to:

50% of all MRCs for the balance of the Customer's five (5) year Term Period for all services under Contract 96 ([1], (D)
[1], DS3 and DS1 services). (D)

Upon termination, all Subject Services remaining in service will be converted to the prevailing month to month extension tariff rates applicable to the Subject Service. Prevailing tariff rates are highlighted in Section 31 for Phase 2 MSAs.

The termination liability charge shall be calculated as follows:

MRCs multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: A Customer with a $75,000 Monthly Recurring Charge terminates service after three(3) years, and has twenty-four (24) months remaining on the five (5) year Term Period. The termination liability would be calculated as:

($75,000 X 24 months) X 50% = $900,000 termination liability charge

[1] See footnote (1) on page 33-848

33. [(1)] (D)

(1) Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 97 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-857

33. [1] (D)

[1] See footnote (1) on page 33-857

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33. [1] (D)

[1] See footnote (1) on page 33-857

33. [1] (D)

[1] See footnote (1) on page 33-857

33. [1] (D)

[1] See footnote (1) on page 33-857

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 98 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-863

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33. [1] (D)

[1] See footnote (1) on page 33-863

33. [1] (D)

[1] See footnote (1) on page 33-863

33. [1] (D)

[1] See footnote (1) on page 33-863

33. [1] (D)

[1] See footnote (1) on page 33-863

33. [1] (D)

[1] See footnote (1) on page 33-863

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(N)

33. Pricing Flexibility Contract Offerings

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

33.99.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 99) is an access discount plan for which subscription is required to the following access tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39 and Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1. Contract Offer No. 99 provides Customers with discounts and incentives (as defined in Section 33.99.6) in accordance with the Terms and Conditions as set forth in Section 33.99.4. (N) (Nx) (Nx) (N)

To receive discounts under this Contract Offer, the Customer must meet Eligibility Criteria described in Section 33.99.3 and must comply with all Terms and Conditions of this Contract Offer. Contract Offer No. 99 requires eligible Customers to maintain a Baseline Minimum Annual Revenue Commitment (MARC) of $141,600,000, as described in Section 33.99.3(B), following. If during the Annual True-up the Customer's billed recurring revenue for Qualified Access Services is less than the Baseline MARC, the Customer must remit the Make-up Payment as described in the Annual True-up process set forth in Section 33.99.7. If the Customer does not comply in all material respects with all Terms and Conditions of this Contract Offer No. 99, termination liability charges, in accordance with Section 33.99.10, will apply.

Contract Offer No. 99 will be available for subscription only from July 29, 2006 through August 29, 2006. (N)

(x) Issued under Authority of Special Permission No. 06-028 of F.C.C.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 99 applies to billed recurring revenues for the qualified access services contained in PBTC Tariff F.C.C. No. 1 (Qualified Access Services), listed in Table A, below:

Table A

Services	**General Basic Description**	**Rates and Charges**		
DS1 and DS3 Service	7.2.9	7.5.9	31.5.2.7	
Broadband Circuit Service	20.1	20.3	31.5.2.11	
[1]				(D)
[1]				(D)
SONET Ring and Access Service	7.2.11	7.5.13	31.5.2.10	
[1]				(D)
[1]				(D)
[1]				(D)

(B) When additional Qualified Access Services are added to the services available under PBTC Tariff F.C.C. No. 1, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 99 for the purposes of calculating the credits and incentives included in this Contract Offer No. 99.

(C) All terms and conditions for the Qualified Access Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 99.

[1] Material previously contained in this section has been deleted. DSRS, GigaMAN, MON, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 99 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.3 WAMS-VIP Offer Eligibility Criteria

The following eligibility criteria must be met to subscribe to Contract Offer No. 99:

(A) Concurrent Subscription

The Customer must concurrently subscribe to Contract Offer No. 99 pursuant to the following tariffs: (N) (Nx)

(1) NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 9;
(2) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 94;
(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 28; and (Nx)
(4) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 121. (N)

Breach, cancellation or termination of any of these Contract Offers shall constitute a breach, cancellation or termination of all of these Contract Offers.

(B) The Customer must have billed recurring revenues for Qualified Access Services to establish a Baseline Minimum Annual Revenue Commitment (Baseline MARC) of $141,600,000;

(C) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory); and

(D) All Qualified Access Service(s) must originate or terminate on a wireless carrier's network. (N)

(x) Issued under Authority of Special Permission No. 06-028 of F.C.C.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.4 WAMS-VIP Offer Terms and Conditions

(A) Revenue commitments are based on billed, recurring charges for the Qualified Access Services and specifically exclude any non-recurring charges, incentives and discounts earned under this Contract Offer No. 99;

(B) The Customer must maintain a Baseline Minimum Annual Revenue Commitment (MARC) of $141,600,000 each Term Year of this Contract Offer No. 99;

(C) The Customer must maintain the Incentive Discount Commitment (IDC), as defined in Section 33.99.6.(A)(1) for Term Years 2 to 5 for Qualified Access Services;

(D) The Customer's Baseline MARC and IDC will include all billed recurring revenue for Qualified Access Services identified in Section 33.99.2, and shall be based on the sum of all of the billed recurring revenues for the Qualified Access Services, including all of the contract offers as described in Section 33.99.3(A);

(E) Incentives and discounts earned by the Customer under this Contract Offer No. 99 shall be applied in the form of a credit to the Customer's bill(s) for Qualified Access Services, located in the Metropolitan Statistical Areas (MSAs) where the Telephone Company has been granted pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31;

(F) Contract Offer No. 99 incentives and discounts are in addition to, and do not alter, any of the existing service discount/term plans available in the Telephone Company's respective tariffs, except that billed, recurring revenues that are discounted under this Contract Offer No. 99 are not eligible under the Managed Value Plan (MVP) offered in PBTC Tariff F.C.C. No. 1, Section 22, nor are billed, recurring revenues under MVP eligible for discounts under this Contract Offer No. 99;

(G) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 99, but in the event of such rate modifications, no change will be made to the Baseline MARC or the IDC, except as specified in Section 33.99.7; (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.4 WAMS-VIP Offer Terms and Conditions (Cont'd)

(H) Qualified Access Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services) and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No. 99;

(I) This Contract Offer No. 99 is available July 29, 2006 through August 29, 2006;

(J) The Customer must meet the criteria described for Incentive Discounts and Portability Incentives, as provided in Section 33.99.6; and

(K) To subscribe to Contract Offer No. 99, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

33.99.5 WAMS-VIP Offer Term Period

The contract term (Term Period) is sixty (60) months commencing on the date the LOS is signed by the Customer . Each twelve month (12) period beginning with the LOS signature date shall be a Term Year. At the end of the Term Period, the discounts and incentives provided in this Contract Offer No. 99 shall be discontinued.

This offer is not renewable. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentives

The Customer will be eligible for the following Incentive Discounts and/or Portability Incentives (collectively "Incentives") under this Contract Offer No. 99 during each of the Term Years:

Incentive Discount Commitment Credit (IDCC);
Incentive Discount Plus Credit (IDPC); and
Portability Incentive for DS3s (Portability Incentive).

(A) Incentive Discount Commitment
In order to qualify for the IDCC, IDPC and Portability Incentives, the Customer must maintain the "Incentive Discount Commitment" (IDC):

(1) Establishment of the IDC

(a) For Term Year 1, the Customer's IDC will equal the Baseline MARC of $141,600,000, as described in Section 33.99.3(B);

(b) For Term Years 2 through 5, the Customer's IDC will be:

(i) The IDC from the previous Term Year; or

(ii) The IDC may be increased, at the Customer's election, effective with the beginning of the contract Term Year according to the IDC Levels in Table B, based on either the Achieved Revenue Amount, as defined in Section 33.99.7(A) or the Customer's billed recurring revenue for Qualified Access Services during the previous three (3) months times four (4).

(c) The Customer may elect, by providing written notice to the Telephone Company within sixty (60) days of the contract's Term Year end date, to increase the IDC:

(i) The IDC may be increased but never decreased;
(ii) The re-established IDC represents the Customer's IDC for the remainder of the Term Period; and
(iii) The IDC elected by the Customer cannot exceed the higher of the Achieved Revenue amount or the previous three (3) months billed recurring revenue for Qualified Access Services times four (4). (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(A) Incentive Discount Commitment (Cont'd)

(2) Application of Incentive Discount Commitment
If during the Annual True-Up, as defined in Section 33.99.7(A), the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the IDCC, IDPC and Portability Incentives during the following Term Year, provided the criteria in Section 33.99.6(B),(C) and (D), respectively, are met.

Example: In Term Year 1, the Customer's Achieved Revenue Amount, determined by the Annual True-Up, equals $147,000,000 and the IDC is $141,600,000. Since the Achieved Revenue Amount exceeds the IDC, the Telephone Company would apply the IDCC, IDPC and Portability Incentives in Term Year 2, based on the Customer's IDC for Term Year 2 of $141,600,000.

(3) Notwithstanding the above, Incentives shall not be applied unless and until the Customer is current in paying (or properly disputing) all invoices submitted for payment by the Telephone Company for billed, recurring Qualified Access Services in accordance with PBTC Tariff F.C.C. No. 1, Section 2.

(B) Incentive Discount Commitment Credit for Qualified Access Services

IDCC shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 33.99.3(A). If qualified for a IDCC, an award of the IDCC under this Contract Offer will satisfy any IDCC obligations of the concurrently subscribed to contract offers as described in Section 33. 99.3(A), and an award of IDCC under such other contract offers shall satisfy any IDCC obligations under this Contract Offer No. 99.

The Customer will notify the Telephone Company in writing of the Billing Account Number(s) (BAN) and percentage of the IDCC awarded to be applied to each BAN(s) billing Qualified Access Services for the contract offers subscribed to in Section 33.99.3(A).

For each Term Year, the Customer will be eligible for an Incentive Discount Commitment Credit (IDCC) based on the sum of all billed recurring revenue for Qualified Access Services, including all of the contract offers as described in Section 33.99.3(A), according to Table B, following.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(B) Incentive Discount Commitment Credit for Qualified Access Services (Cont'd)

Table B:

IDC Level	IDC	IDCC
1	$141,600,000	$12,700,000
2	$179,900,000	$19,800,000
3	$194,200,000	$25,300,000
4	$209,800,000	$31,500,000
5	$226,600,000	$36,300,000

(1) Application of Incentive Discount Commitment Credit

(a) The Telephone Company will apply the IDCC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDCC per Section 33.99.6(A)(2),as follows:

(i) One-quarter (1/4) of the IDCC will be applied thirty (30) days in arrears from the end of the 1st and 3rd Quarters of the Term Year based on the IDCC determined under Sections 33.99.6(B)(1)(b)and 33.99.6(B)(1)(c), below;

(ii) One-quarter (1/4) of the IDCC will be applied by the end of the 2nd Quarter, based on the IDCC determined under Sections 33.99.6(B)(1)(b)and 33.99.6(B)(1)(c), below; and

(iii) One-quarter(1/4)of the IDCC will be applied sixty (60) days in arrears from the end of the 4th Quarter of the Term Year, through the Annual True-Up described in Section 33.99.7.

(b) The IDCC applied during the first three (3) quarters of Term Year 1 will be based on IDC Level 1.

(c) The IDCC applied during the first three (3) quarters of Term Years 2 through 5 will be based on the IDC Level established in Section 33.99.6(A).

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount Plus Credit for Qualified Access Service

IDPC shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 33.99.3(A). If qualified for a IDPC, an award of the IDPC under this Contract Offer will satisfy any IDPC obligations of the concurrently subscribed to contract offers as described in Section 33.99.3(A), and an award of IDPC under such other contract offers shall satisfy any IDPC obligations under this Contract Offer No. 99.

The Customer will notify the Telephone Company in writing of the Billing Account Number(s) (BAN) and percentage of the IDPC awarded to be applied to each BAN(s) billing Qualified Access Services for the contract offers subscribed to in Section 33.99.3(A).

For each Term Year, the Customer will be eligible for an IDPC which applies to non-IDC revenues. Non-IDC revenues are the sum of all recurring revenues associated with the Qualified Access Services, including billed recurring revenues of all of the contract offers as described in Section 33.99.3(A) that exceed the Customer's IDC (which are listed as Levels in Table B) according to the ranges set forth in Table C. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount Plus Credit for Qualified Access Service (Cont'd)

Table C:

IDC Level	Band	Non - IDCC Rev Min	Non - IDCC Rev Max	IDPC
1	1	$ 31,600,000	$ 38,299,999	$1,400,000
	2	$ 38,300,000	$ 52,699,999	$3,100,000
	3	$ 52,700,000	$ 68,199,999	$5,700,000
	4	$ 68,200,000	$ 84,999,999	$8,800,000
	5	$ 85,000,000	$ 103,099,999	$12,400,000
	6	$ 103,100,000	$ 122,699,999	$16,700,000
	7	$ 122,700,000	and above	$21,700,000
2	1	$ 7,200,000	$ 14,399,999	$1,700,000
	2	$ 14,400,000	$ 29,899,999	$3,800,000
	3	$ 29,900,000	$ 46,699,999	$6,900,000
	4	$ 46,700,000	$ 64,799,999	$10,600,000
	5	$ 64,800,000	$ 84,399,999	$14,900,000
	6	$ 84,400,000	$ 105,599,999	$20,000,000
	7	$ 105,600,000	and above	$25,700,000
3	1	$ 7,800,000	$ 15,499,999	$2,100,000
	2	$ 15,500,000	$ 32,299,999	$4,600,000
	3	$ 32,300,000	$ 50,499,999	$8,300,000
	4	$ 50,500,000	$ 69,999,999	$12,700,000
	5	$ 70,000,000	$ 91,199,999	$17,700,000
	6	$ 91,200,000	$ 113,999,999	$23,600,000
	7	$ 114,000,000	and above	$30,300,000
4	1	$ 8,400,000	$ 16,799,999	$2,500,000
	2	$ 16,800,000	$ 34,899,999	$5,400,000
	3	$ 34,900,000	$ 54,499,999	$9,800,000
	4	$ 54,500,000	$ 75,599,999	$15,000,000
	5	$ 75,600,000	$ 98,499,999	$20,900,000
	6	$ 98,500,000	$ 123,099,999	$27,700,000
	7	$ 123,100,000	and above	$35,500,000
5	1	$ 9,100,000	$ 18,099,999	$3,000,000
	2	$ 18,100,000	$ 37,699,999	$6,400,000
	3	$ 37,700,000	$ 58,799,999	$11,600,000
	4	$ 58,800,000	$ 81,699,999	$17,600,000
	5	$ 81,700,000	$ 106,299,999	$24,400,000
	6	$ 106,300,000	$ 132,999,999	$32,300,000
	7	$ 133,000,000	and above	$41,300,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount Plus Credit for Qualified Access Service (Cont'd)

(1) Application of Incentive Discount Plus Credit

(a) The Telephone Company will apply the IDPC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDPC as provided in Section 33.99.6(C); and

(b) The IDPC corresponding to the IDC Level and IDPC Band will be credited to the Customer's bill sixty (60) days in arrears from the end of the 4th Quarter of the Term Year, through the Annual True-up described in Section 33.99.7.

(D) DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3 Qualified Access Services.

This Portability Incentive will be applied in addition to the Incentives described in Sections 33.99.6(B) and(C).

(1) Eligibility Criteria for DS3 Portability Incentive

The Customer must meet the following criteria to receive the Portability Incentive:

(a) The Customer's DS3s must meet the Minimum Period requirements, as established under PBTC Tariff F.C.C. No. 1, Section 2.4.2, at the previous location;
(b) The Term Period of each new circuit must be equal to, or greater than, the remaining term of the disconnected circuit; and (N)
(c) The disconnect and new service must be within the Operating Territory.

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) DS3 Portability Incentive (Cont'd)

(2) Quarterly Review of Add and Disconnect Access Service Orders

The Telephone Company will perform quarterly reviews of the quantity of the DS3 "adds" and "disconnects" within the Telephone Company Operating Territory, as described in Section 33.99.3(C), as follows:

(a) If the Customer qualifies for the Portability Incentive as set forth in Section 33.99.6(A) and 33.99.6(D)(1), and the cumulative "add" access service orders exceed cumulative "disconnect" access service orders during the Term Year, as measured on a quarterly basis, the cumulative adds and the cumulative disconnects will carry over quarter to quarter within a Term Year until the number of cumulative disconnects exceeds the cumulative adds;

(b) If the Customer qualifies for the Portability Incentive as set forth in Section 33.99.6(A) and 33.99.6(D)(1), but cumulative "disconnect" access service orders exceed cumulative "add" access service orders during the Term Year, as measured on a quarterly basis, the Customer will be assessed termination liability charges on the number of circuits by which cumulative disconnect orders, where termination liability charges are applicable, exceed cumulative add orders; or

(c) During the Term Year, if the Customer is assessed termination liability charges as a result of cumulative "disconnect" access service orders exceeding cumulative "add" access service orders in any quarter, as described in 33.99.6(D)(2)(b), above, no cumulative "disconnect" access service orders or cumulative "add" access service orders will carry over to the next quarter within that Term Year.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) DS3 Portability Incentive (Cont'd)

(2) Quarterly Review of Add and Disconnect Access Service Orders

Example:
During a given Term Year:

If at the end of the 1st Quarter:
DS3 "adds" = 10
DS3 "disconnects" = 3
Quarter Termination Liability = 0 DS3's
(DS3 "adds" are greater than DS3 "disconnects")

If at the end of the 2nd Quarter:
Cumulative DS3 "adds" = 11 (1st Qtr 10 plus 2nd Qtr 1)
Cumulative DS3 "disconnects"= 12 (1st Qtr 3 plus 2nd Qtr 9)
Quarter Termination Liability = 1 DS3
(Cumulative DS3 "disconnects" are greater than Cumulative DS3 "adds")

Termination Liability assessed based on the last disconnect order provisioned during the 2nd Quarter. The 1st and 2nd Quarter cumulative DS3 "adds" and cumulative DS3 "disconnects" will not accumulate into the 3rd Quarter.

If at the end of the 3rd Quarter:

DS3 "adds" = 2
DS3 "disconnects" = 1
Quarter Termination Liability = 0 DS3's
(DS3 "adds" are greater than DS3 "disconnects")

If at the end of the 4th Quarter:

Cumulative DS3 "adds" = 5 (3rd Qtr 2 plus 4th Qtr 3)
Cumulative DS3 "disconnects" = 3 (3rd Qtr 1 plus 4th Qtr 2) (N)
Quarter Termination Liability = 0 DS3's
(Cumulative DS3 "adds" are greater than Cumulative DS3 "disconnects")

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.7 WAMS-VIP Annual True-Up

(A) An annual true-up calculation is performed after each Term Year ("Annual True-Up") to establish any 4th Quarter Incentive credits, adjustments or other payments that apply for the preceding twelve-month (12) period, as determined by whether:

(1) The Customer maintained its IDC during that Term Year;
(2) The Customer earned the IDCC received during the 1st, 2nd and 3rd Quarters of the Term Year ("Applied IDCC"); and
(3) The Customer qualifies to receive an IDPC.

For the purposes of the Annual True-Up calculations, the Customer's billed, recurring revenue for Qualified Access Services during the Term Year will constitute the Customer's "Achieved Revenue Amount." The IDCC and/or IDPC earned using the Achieved Revenue Amount compared to Table B in Section 33.99.6(B) and Table C in Section 33.99.6(C) will constitute the "Earned IDCC" and "Earned IDPC."

(B) Annual True-Up Calculations

(1) IDC Impact - Divested Market(s):

If the Telephone Company divests or sells any market(s) and if the billed recurring revenues for the Qualified Access Services that are used for the purposes of calculating the IDC are reduced, as a result of the divestiture and/or sale of those market(s), the Telephone Company will recalculate the IDC and IDCC, if requested by the Customer in writing within ninety (90) days of the divestiture and/or sale, according to the following steps below:

Step 1.
Determine the impact on total revenue by calculating the "IDC Impact-Divested Market(s)Percentage." The IDC Impact-Divested Market(s) Percentage is the percent change between the IDC and the Customer's billed recurring revenues for Qualified Access Services that the Telephone Company was required to divest.

Example:
IDC = $141,600,000
Revenue divestiture by the Telephone Company =$10,000,000

IDC minus divestiture amount = $131,600,000

IDC Impact – Divested Market(s) Percentage = 7.07%
(1-($132,000,000/$141,600,000))

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(1) IDC Impact - Divested Market(s): (Cont'd)

Step 2:
The current Term Year's IDC will be adjusted by subtracting the dollar amount of the billed recurring revenues for Qualified Access Services that were divested by the Telephone Company. The IDCC for the current Term Year will be adjusted by the IDC Impact-Divested Markets Percentage and prorated from the time of divestiture.

Step 3:
The Telephone Company will recalculate the IDC(s) which remains available to the Customer (Table B) by subtracting the annualized dollar amount of the billed recurring revenues for Qualified Access Service that was divested by the Telephone Company.

Step 4:
The Telephone Company will recalculate the IDCC(s) which remains available to the Customer (Table B) by the ratio of the reduced IDC to the original IDC for each level.

Example:
Reduced IDC = $131,600,000
($141,600,000 – $10,000,000)

Reduced IDCC = $11,802,110 (N)
($12,700,000 – ($12,700,000 x 7.07%)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the IDC.

(a) If the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the appropriate 4th Quarter IDCC credit. The Customer will receive its 4th Quarter payment, as set forth in Section 33.99.6(B)(1)(a)(iii).

(b) If the Customer's Achieved Revenue Amount falls below the IDC, the Customer may pay the difference between the Achieved Revenue Amount and the IDC ("Make-Up Payment"). If the Customer has identified an "IDC Negative Impact," as defined in Subsection (c), following, that amount will be subtracted from the Make-up Payment.

(i) The Telephone Company will notify the Customer within thirty (30) days of the end of the Term Year of any Make-Up Payment.

(i) The Customer will pay the Make-Up Payment within thirty (30) days after receiving said notification from the Telephone Company.

(iii) The Telephone Company will apply the appropriate IDCC for the 4th Quarter of the Term Year within thirty (30) days of receiving the Make-Up Payment. The following Term Year's IDCC will be determined as set forth in Section 33.99.6(B).

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up: (Cont'd)

(c) The Telephone Company will adjust the Make-up Payment at the Annual True-up, by the amount identified as a "Negative IDC Impact" revenue amount, if the IDC is missed due to the following "Negative IDC Impact" causes:

(i) If the tariff rates for the billed recurring revenues for the Qualified Access Services that are used for the purposes of calculating the IDC are reduced by a percentage that causes the Customer's billed recurring revenues for such Qualified Access Services to fall below the IDC; and/or

(ii) If the Customer terminates Qualified Access Service(s) as a result of one or more Excessive Service Outages, as defined in Section 33.99.10(B), and the billed recurring revenues for the Qualified Access Services that are used for the purposes of calculating the IDC are reduced, as a result of the Excessive Service Outage termination, by a percentage that causes the Customer's billed recurring revenues for such Qualified Access Services to fall below the IDC.

(d) If the Customer chooses not to make the Make-Up Payment, in Section 33.99.7(B)(2)(b)(ii), this Contract Offer shall be terminated and termination liability charges will apply, as described in Section 33.99.10(A).

Example of IDCC Annual True-Up:

If the Achieved Revenue Amount for Term Year 3 is \$143,000,000 and the IDC is \$141,600,000, then the IDCC would be \$12,700,000. The IDCC applied for the 4th Quarter would be equal to \$12,700,000 (which is \$3,175,000 X 4) less the Applied IDCC received by the Customer for the Term Year. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(3) IDPC Annual True-Up:
The Telephone Company will determine whether the Customer's Achieved Revenue Amount exceeds the IDC.

(a) If the Achieved Revenue Amount exceeds the IDC, the revenue above the IDC will be used to determine the IDPC Band in Table C based on the IDC Level. The IDPC corresponding to the IDC Level and IDPC Band will be credited as per Section 33.99.6.(C), or

(b) If the Achieved Revenue Amount does not exceed the IDC, or if revenue above the IDC does not fall within an IDPC Band, as described in (a), above, no IDPC credit will be applied for the Term Year.

Example of IDPC Annual True-Up:

If the Achieved Revenue Amount for Term Year one (1) is \$175,000,000 and the IDC is \$141,600,000 (IDC Level 1), the revenue above the IDC would equal \$33,400,000 (\$175,000,000 -\$141,600,000). The IDPC applied in the 4th Quarter would be \$1,400,000 per IDPC Band 1. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.8 WAMS-VIP Offer Merger/Acquisitions

(A) Assignment/Successors

(1) If the Customer wishes to assign or transfer its rights and obligations under this Contract Offer 99 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2(A) are fulfilled, unless the proposed assignee or transferee demonstrates a lack of credit worthiness under any of the criteria in (a), (b) or (c), below, or if the assignee or transferee or its parent has commenced, or had initiated against it, a voluntary receivership or bankruptcy proceeding.

(a) Any debt of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade as defined by the securities and exchange commission; or

(b) If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade, and have been placed on review by a rating organization for a possible downgrade; or

(c) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g., Standard and Poor's) but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) Fair or below in a composite credit appraisal published by Dun and Bradstreet, or

(ii) High risk in a Paydex score as published by Dun and Bradstreet.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) The Terms and Conditions of the Contract Offer No. 99 shall continue in full force and effect if the Customer merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity (Transfer). After a Transfer, if the other entity also purchases Qualified Access Service(s) from the Telephone Company, either directly or through any affiliates, the Customer shall not include under the Contract Offer Subscription any of the billed, recurring revenue for the Qualified Access Services of the other entity in place as of the date the Transfer is finalized (Transfer Date), except as may be provided below.

Notwithstanding the foregoing, the Customer may choose, at its discretion, one of the options set forth in Subsection Options (i) and (ii) following, within the time period that is between twelve (12) months and twenty-four (24) months after the Transfer Date.

To exercise an Option, the Customer shall send written notice to the Telephone Company, within the time period described above, stating which Option the Customer selects. The date that the Customer sends that written notice shall be the "Option Exercise Date." None of the Options shall alter in any way the terms or conditions of any contract or tariff pursuant to which the other entity obtains Qualified Access Services from the Telephone Company, including, but not limited to, any terms or conditions related to termination.

Option (i): The Customer and the Telephone Company shall recalculate the IDC, IDCC and IDPCs (collectively "Key Numbers") for the period from the Option Exercise Date to the end of the Term Period to allow for the combined billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under the Contract Offer Subscription, (N) provided the following conditions are met:

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(1) One hundred percent (100%) of the total combined billed, recurring revenues for Qualified Access Services of the Customer and the other entity must be included in the Contract Offer Subscription;

(2) The IDC will be adjusted according to the following formula:

The IDC will be equal to one hundred percent (100%) of the other entity's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date, multiplied by four (4), plus the actual IDC at the time of merger. This shall be the "Combined IDC," and

(3) The IDC and IDCC amounts will be adjusted according to the following formula:

The Option 1 multiplier ("Option 1 Multiplier"), which equals the ratio of the Combined IDC to the Customer's current IDC and IDCC, will be applied to the values of the IDC and IDCC associated with the IDC and IDCC Levels that are still available to the Customer, as defined in Section 33.99.6.

Example:
IDC = $141,600,000
Current IDC Level = 1
IDCC = $12,700,000

New Entity Revenue = $33,400,000
Combined IDC = $175,000,000
($141,600,000 plus $33,400,000)

Option 1 Multiplier = 1.24
($175,000,000/$141,600,000)
Combined IDCC = $15,748,000
($12,700,000 multiplied by 1.24)

(4) The IDPC Bands, IDPC ranges and IDPC amounts will be adjusted using the Option 1 Multiplier.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(5) The Customer must have at least thirty-six (36) months remaining in the Term Period under the Contract Offer Subscription, or if less than thirty-six (36) months are remaining in the Term Period under the Contract Offer Subscription, the Term Period shall be automatically extended so that the Terms and Conditions of Contract Offer No. 99 remain in effect for thirty-six (36) months after the Option Exercise Date; and

(6) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Option Exercise Date, with no credits being applied to the Customer's bill(s) during this sixty (60) day period. Starting with the remaining quarters, combined Key Numbers will be used to determine applicable IDCC and IDPC credit amounts.

(a) If the Option Exercise Date falls within the 1st, 2nd or 3rd Quarters of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined, or thirty (30) days in arrears of the end of the Quarter, whichever is later; or

(b) If the Option Exercise Date falls within the 4th Quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC and/or Combined IDPC will occur thirty (30) days after the Key Number are determined, or sixty (60) days in arrears of the end of the Quarter, whichever is later.

Option (ii):
The Contract Offer Subscription shall be terminated as set forth within Section 33.99.10(A). (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.9 WAMS-VIP Performance – Credits

(A) Cell Site Performance

Cell site Performance Improvement Credits may be available to the Customer based on the quality of service delivered during the Term Period, as set forth in Subparagraph (2), following. The credits will be granted in the event that the Telephone Company's Contract Offer No. 99 service performance level objectives for cell site DS1 Qualified Access Services are not met.

For Term Year 1, the Telephone Company will apply a maximum of $600,000 in special construction credits to improve performance at mutually agreed cell sites that are performing below the DS1 Percentage of 99.9650% Network Availability. The special construction credits will not exceed $600,000 for the sum of all mutually agreed cell sites in all of the Contract Offers, as described in Section 33.99.3(A). This special construction credit will be available until Term Year 1 Annual True-Up.

(1) The DS1 Qualified Access Services cell site performance level parameters will be based on DS1 Percentage of Network Availability. The DS1 Percent of Network Availability will be calculated by determining the actual hours that the cell site DS1 circuits are in service during the Term Year compared to the total expected availability, and then aggregating those total hours over the course of a Term Year.

Example:

If a Customer had 100 circuits in service at the end of January and 110 at the end of February, their total hours of expected availability would be (31 days times 100 circuits, times 24 hours) plus (28 days, times 110 circuits, times 24 hours), or 148,320. This would be the denominator of the network availability equation.

The numerator would be the total hours of outage based on measured trouble found tickets reported to the Telephone Company, subtracted from the 148,320. If there were eight (8) reported failures totaling twenty-eight (28) hours of outage time, the resulting availability for those two (2) months will be equal to ((148,320-28)/148,320), or 99.981 percent.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.9 WAMS-VIP Performance – Credits (Cont'd)

(A) Cell Site Performance (Cont'd)

(2) Table D, below, provides cell site service performance targets, based on DS1 Percentage of Network Availability, for each Term Year.

Table D

Term Year	% Network Availability
1	99.9650%
2	99.9700%
3	99.9750%
4	99.9850%
5	99.9900%

(3) At the Annual True-Up, if the Telephone Company's annual results fail to meet the performance target for the Term Year, as specified in Table D, above, and the Customer has met the IDC, the Telephone Company will provide credits for products and services as follows:

(i) The Telephone Company will apply one hundred dollars ($100) in special construction credits for each measured trouble found ticket reported to the Telephone Company during the Term Year for cell site improvements. The special construction credits will be used to improve performance at mutually agreed cell sites that are performing below the DS1 Percentage of Network Availability as specified in Table D, above; and

(ii) The special construction credits will be available for nine (9) months following the Annual True-Up in any Term Year in which the Telephone Company failed to meet the performance target.

Example: Special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell sites.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.10 Termination

The Customer's subscription to this Contract Offer No. 99 shall terminate if the Customer elects to terminate this Contract Offer No. 99, or if the Customer materially breaches this Contract Offer, or any tariff governing any Qualifying Service provided pursuant to this Contract Offer No. 99, except as expressly provided to the contrary herein.

If the Customer elects to terminate its Contract Offer Subscription during the Term Period, the Customer must provide written notification to the Telephone Company indicating the Customer's intention to terminate its Contract Offer Subscription. This notification must include the date upon which the Customer wishes to terminate its Contract Offer Subscription.

(A) Termination Liability

Termination charges will be calculated as the percentage of all discounts given up to the time of termination as listed in Table E, below.

Table E:

Months	Termination Liability %
1 to 12	120%
13 to 24	75%
25 to 36	50%
37 to 48	25%
49 to 60	10%

Example:

The Customer terminates its Contract Offer Subscription after twenty-four (24) months, and the Customer received an IDCC of $25,400,000 for the previous twenty-four (24) months. The termination liability charges would be:

(N)

$25,400,000 X 75% = $19,050,000 termination liability charges.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.10 Termination (Cont'd)

(B) Excessive Service Outage Termination

An Excessive Service Outage occurs when the Customer's, [1], or any [1] based Qualified Access Service experiences simultaneous equipment service interruptions of both the working and protection path of the network, and the service interruptions have not been excepted from treatment for a credit allowance under PBTC Tariff F.C.C. No. 1, Section 2. (D)

(1) An Excessive Service Outage remedy will be available to the Customer if any of the following conditions apply:

(a) If, during any consecutive six (6) month period, there are more than two (2) Excessive Service Outages on an individual [1]; (D)

(b) If, during any consecutive twelve (12) month period, there are more than three (3) Excessive Service Outages on an individual [1]; and/or (D)

(c) If Excessive Service Outages reach a cumulative total of twelve (12) hours in any period of thirty (30) consecutive calendar days on an individual [1]. (D)

[1] See footnote (1) on page 33-871

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.99 Contract Offer No. 99 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

33.99.10 Termination (Cont'd)

(B) Excessive Service Outage Termination (Cont'd)

(2) If an Excessive Service Outage occurs, the Customer shall have one of the following Excessive Service Outage remedies. The Customer shall elect one of these remedies within sixty (60) days after the end of the Excessive Service Outage, as defined in Section 33.99.10(B)(1), by providing written notice to the Telephone Company:

(a) All underlying tariff remedies for the outage will apply for each Excessive Service Outage with no monthly limitations;

(b) Any failed equipment that is responsible for an Excessive Service Outage will be replaced, at no charge to the Customer, and with no change in the Customer's Term Period; or

(c) The Customer may terminate its subscription to the [1] service which incurred the outage(s) without incurring termination liability charges, if applicable, by providing written notice to the Telephone Company. Termination will be effective within two hundred and forty (240) calendar days following delivery of written notice to the Telephone Company. (D)

[1] See footnote (1) on page 33-871

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 100 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

ACCESS SERVICE

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

33. [1] (D)

[1] See footnote (1) on page 33-897

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.101 Contract Offer No. 101 – DS3 Transport Service Offer

33.101.1 General Description

Contract Offer No. 101 – DS3 Transport Service Offer is an access discount pricing plan that provides the Customer with discounted rates on new and existing DS3 Hub facilities which shall be subject to a sixty (60) month service term and must be configured as described in Section 33.101.2(B).

Contract Offer No. 101 is available for subscription August 16, 2006 through September 16, 2006. This Contract Offer is not renewable.

33.101.2 Service Qualifications

(A) This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.2.9 – High Capacity Service.

(B) Subject Services provided under this Contract Offer shall be:

(1) Located in the following Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA): Los Angeles/Long Beach, CA.

(2) Configured as:
(a) High capacity service with the transmission rate of 44.736 Mbps;
(b) The 'A' location must be cross connected to the Customer's collocated transmission facilities provided pursuant to Section 16 - Expanded Interconnection Service (EIS);
(c) The 'Z' location must be multiplexed by the Telephone Company (DS3 to DS1); and
(d) The Channel Mileage shall be at least one (1) mile, but not greater than twenty-five (25) miles.

(3) Installed by the Telephone Company after July 1, 2006. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.101 Contract Offer No. 101 – DS3 Transport Service Offer (Cont'd)

33.101.3 Eligibility Criteria

The Customer must meet the following eligibility criteria at the time of subscription to this Contract Offer:

(A) The Customer must have established EIS collocation facilities as provided in Section 16 in the MSA described in Section 33.101.2(B)(1).
(B) The Customer must commit to purchase at least two hundred (200) Subject Services under this Contract Offer.

33.101.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be ninety-six (96) months commencing on the date the Telephone Company receives a Letter of Subscription (LOS) from the Customer.

Upon the expiration of the Term Period or termination of this Contract Offer, the Subject Services shall be converted to the prevailing applicable monthly extension rates found in Section 31.5.2.7, unless the Customer:

(1) Selects applicable payment options in Section 7.4.11; or
(2) Disconnects the Subject Services.

(B) General

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges and general terms and conditions described in Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All terms and conditions for the Subject Services provided under this Contract Offer shall continue to be governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer shall not include Subject Services provided under this Contract Offer in any other contract offer, promotional offering (Section 34), or other discount plan (e.g., MVP). (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.101 Contract Offer No. 101 – DS3 Transport Service Offer (Cont'd)

33.101.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(1) To subscribe to this Contract Offer, the Customer shall provide the Telephone Company with a LOS.

(2) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(3) If the Customer terminates this Contract Offer, termination liability charges shall apply in accordance with Section 33.101.8.

(4) The Customer must purchase at least two hundred (200) Subject Services under this Contract Offer, for which the Customer Desired Due Date (CDDD) must be prior to the completion of the first thirty-six (36) months of the Term Period.

(5) If the Customer fails to purchase the required Subject Services, the Customer shall pay the Telephone Company a true-up amount equal to $23.60 per day for each Subject Service by which the Customer is short of the required purchase amount. The true-up amount, if required, will be billed after the initial two hundred (200) Subject Services are installed, or upon termination of this Contract Offer. The Contract Offer will be terminated if the required new Subject Services are not purchased by the start of the fortieth (40th) month of the Term Period.

(6) The Customer may purchase additional new Subject Services under this Contract Offer, for which the CDDD must be within the first thirty-six (36) months of the Term Period.

(7) The minimum term commitment, Service Term, for each Subject Service provided under this Contract Offer shall be sixty (60) months. If the Customer disconnects Subject Services prior to the completion of the Service Term during the Term Period, a termination charge shall apply in accordance with Section 33.101.8(B). (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.101 Contract Offer No. 101 – DS3 Transport Service Offer (Cont'd)

33.101.5 Rates and Charges

The following Monthly Recurring Charges (MRCs) shall apply to these rate elements for the Subject Services provided under this Contract Offer:

Rate Element	**Applicable USOC**	**MRC**	
Multiplexing (DS3 to DS1)			
Zone 1, per arrangement	MQ3		$275.00
Zone 2, per arrangement			285.00
Zone 3, per arrangement			295.00
Channel Mileage (CM)			
Where CM from:		Fixed	Per Mile
1 to 5 miles	1L5XX	$425.00	$0.00
6 to 10 miles		450.00	0.00
11 to 15 miles		475.00	0.00
15 to 25 miles		500.00	0.00

Any rate element not described herein will be subject to the rates and charges described Section 31.5.2.7.

33.101.6 Assignment and Transfer

If the Customer wishes to assign or transfer its rights and obligations of this Contract Offer pursuant to Section 2.1.2, the Telephone Company shall acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.101 Contract Offer No. 101 – DS3 Transport Service Offer (Cont'd)

33.101.6 Assignment and Transfer (Cont'd)

(A) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

33.101.7 Mergers and Acquisitions

The rights and obligations of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, shall continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.101 Contract Offer No. 101 – DS3 Transport Service Offer (Cont'd)

33.101.8 Termination Liability

During the Term Period of this Contract Offer, the termination liability language contained below applies in lieu of the termination liability language described in Section 7.4. Termination charges shall become due as of the effective date of the termination.

(A) If the Customer terminates this Contract Offer or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer shall be liable for a termination charge which shall be equal to $70,800 per month for the balance of the Term Period. The termination charge shall be calculated as $70,800 multiplied by (months remaining in Term Period).

Example: The Contract Offer is terminated after sixty (60) months and has thirty-six (36) months remaining in the Term Period. The termination charge shall be:

$70,800 X 36 = $2,548,800 Termination Charge

(B) If the Customer terminates individual rate elements provided under this Contract Offer during the Service Term, the Customer shall be liable for a termination charge which shall be equal to 50 percent of the MRC for the terminated rate elements for the balance of the Service Term. The termination charge shall be calculated as (MRC) multiplied by (months remaining in Service Term) multiplied by (termination liability percentage of 50%).

Example: The MRC equals $708 and the rate elements are terminated after thirty-six (36) months, and have twenty-four (24) months remaining in the Service Term. The termination charge shall be:

($708 X 24) X 50% = $16,992 Termination Charge

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 102 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-913

33. [1] (D)

[1] See footnote (1) on page 33-913

33. [1] (D)

[1] See footnote (1) on page 33-913

33. [1] (D)

[1] See footnote (1) on page 33-913

33. [1] (D)

[1] See footnote (1) on page 33-913

33. [1] (D)

[1] See footnote (1) on page 33-913

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 103 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-920

33. [1] (D)

[1] See footnote (1) on page 33-920

33. [1] (D)

[1] See footnote (1) on page 33-920

ACCESS SERVICE

33. [1] (D)

[1] See footnote (1) on page 33-920

33. [1] (D)

[1] See footnote (1) on page 33-920

33. [1] (D)

[1] See footnote (1) on page 33-920

33. [1] (D)

[1] See footnote (1) on page 33-920

33. [1] (D)

[1] Material previously contained in this section has been deleted. WaveMAN[SM] services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission’s Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 104 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions’ website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-928

33. [1] (D)

[1] See footnote (1) on page 33-928

33. [1] (D)

[1] See footnote (1) on page 33-928

33. [1] (D)

[1] See footnote (1) on page 33-928

33. [1] (D)

[1] See footnote (1) on page 33-928

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.105 Contract Offer No. 105 – Access Extension Offer

33.105.1 General Description

Contract Offer No. 105 – Access Extension Offer is an access discount plan that provides qualified customers with a credit for the attainment of a Monthly Billing Commitment (MBC), as described in Section 33.105.4 (B).

This Contract Offer is available for subscription from September 21, 2006 to October 21, 2006.

33.105.2 Eligibility Criteria

The Customer must meet the following eligibility criteria at the time of subscription to subscribe to this Contract Offer:

(A) Customer must have previously subscribed to MVP, pursuant to Section 22, with a MVP Term Period that expired in 2006; and

(B) The Customer's MVP MARC must have been less than $25,000,000 and greater than $12,000,000.

33.105.3 Contributory Services

Qualified Access Services, as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 22.2, shall be deemed as Contributory Services for attainment of the MBC as described in 33.105.4(B).

(A) Contributory Subject Services

Contributory Services, provided by the Telephone Company in the Metropolitan Statistical Areas (MSAs), as listed in Section 31.2, shall be deemed "Contributory Subject Services" under this Contract Offer. Contributory Subject Services are eligible for the monthly credit provided under this Contract Offer.

(B) Contributory Non-Subject Services

Contributory Services provided by the Telephone Company outside of the MSAs, as listed in Section 31.2, shall be deemed "Contributory Non-Subject Services" under this Contract Offer. Contributory Non-Subject Services shall not be eligible for the monthly credit provided under this Contact Offer.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.105 Contract Offer No. 105 – Access Extension Offer (Cont'd)

33.105.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be twelve (12) months commencing upon the first day of the month after the Telephone Company receives the Letter of Subscription (LOS) from the Customer.

(B) Monthly Billing Commitment (MBC)

Pursuant to this Contract Offer, the Customer must attain the MBC for each month of the Term Period as described herein to be eligible for credits, as described in Section 33.105.5. The Customer's MBC shall be equal to 1/12th of their previous MVP MARC.

Attainment of the MBC will be determined monthly by the Telephone Company. The Telephone Company will compare the MBC to the combined total of the monthly recurring billing for Contributory Subject Services and Contributory Non-Subject Services.

Example: The Customer's previous MVP MARC is $12,120,000. The MBC would be ($12,120,000 x 1/12) or $1,010,000. At the beginning of the first month of the Term Period, the Telephone Company determined the Customer was billed $840,000 for Contributory Subject Services, and $200,000 for Contributory Non-Subject Services, for a total monthly recurring billing of $1,040,000. Since the Customer attained its MBC, the Customer shall be eligible to receive the monthly credit provided under this Contract Offer.

Shortfall

If the monthly recurring billing is less than the MBC, the Customer shall still be entitled to the Monthly Credit under Section 33.105.5, but the Monthly Credit will be reduced by the amount of the shortfall (difference between the actual monthly recurring billing and the MBC). If the shortfall is greater than the monthly credit, then the Customer must remit the difference to the Telephone Company upon notification. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.105 Contract Offer No. 105 – Access Extension Offer (Cont'd)

33.105.4 Terms and Conditions (Cont'd)

(A) General

(1) Contributory Services, described in this Contract Offer, are subject to certain rates, charges and general terms and conditions described in Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All terms and conditions for the Contributory Services provided under this Contract Offer are governed by their otherwise applicable tariff sections.

(3) If the Customer terminates this Contract Offer in its entirety during the Term Period, termination liability charges shall apply in accordance with Section 33.105.8.

(4) To subscribe to this Contract Offer, the Customer must provide the Telephone Company with a Letter of Subscription.

(5) The Customer may not subscribe to a new MVP Agreement as described in Section 22 during the Term Period of this Contract Offer.

33.105.5 Monthly Credits

The Customer shall be eligible to receive a monthly credit under this Contract Offer, provided the Customer meets all the provisions of this Contract Offer. Upon the monthly verification of the Customer's attainment of the MBC as described in Section 33.105.4 (B), the Telephone Company shall apply a monthly credit to the Contributory Subject Services.

(N)

The monthly credit shall equal $224,398.00.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.105 Contract Offer No. 105 – Access Extension Offer (Cont'd)

33.105.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer, the Customer shall comply with the requirements of F.C.C. No. 1, Section 2.1.2. The Telephone Company shall acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, unless (1) the proposed assignee or transferee fails to establish credit worthiness under one of the criteria provided in (A) or (B), below, or (2) if the proposed assignee or transferee, or its parent company, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade; or]

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (i.e: Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.105 Contract Offer No. 105 – Access Extension Offer (Cont'd)

33.105.7 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and in effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.105.8 Termination Liability

If the Customer terminates this Contract Offer during the Term Period, or is not in compliance with all provisions of this Contract Offer, then the Customer will be liable for a termination charge which shall be equal to all Monthly Credits provided under this Contract Offer. The termination charges shall become due as of the effective date of the termination.

If the Customer elects to terminate this Contract Offer, the Customer must provide written notification to the Telephone Company of their intent to terminate and the effective date of the termination.

Example: If the Contract Offer is terminated after one (1) month, and the Customer received a credit of $224,398.00 for that month, the termination charge shall be calculated as:

$224,398.00 x 1 = $224,398.00

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term

33.106.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DS0 multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity,

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 256 Kbps of capacity, (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.106.1 General Description (Cont'd)

(B)(Cont'd)

(3) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity,

(4) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity, and

(5) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 1068 Kbps of capacity.

(A) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term (Cont’d)

33.106.2 Contract Terms

(A) Contract Offering No. 106 is available during the purchase period which begins, December 9, 2006 and ends June 9, 2007.

(B) Pacific Bell Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply except as noted herein. Any changes made to the aforementioned sections during the Customer’s initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 106.

(1) The Access Order Charge described in Section 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 106, is the initial contract term.

(4) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in Section 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.106.2 Contract Terms (Cont'd)

(C) The initial contract term for Contract Offering No. 106 is one (1) year and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(D) At the conclusion of the initial contract term, Contract Offering No. 106 will be automatically converted to the applicable monthly renewal rate, found in Section 33.106.3 (B). The Customer may terminate Contract Offering No. 106 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 106 upon thirty (30) days written notice any time following the completion of the initial contract term.

(E) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(F) No other discount pricing plans apply.

(G) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 106.

(H) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 106 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.106.2(L). The termination charge for Contract Offering No. 106 is 50 percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(I) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 106 terminated, and the termination charges described in Section 33.106.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the Non-Recurring Charge (NRC) to install service as reflected in Section 33.106.3(B).

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.106.2 Contract Terms (Cont'd)

(C) The Customer may elect to discontinue Contract Offering No. 106 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.106.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 106 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 106, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 106.

(D) Contract Offering No. 106 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 106 terminated. If Contract Offering No. 106 is terminated during the initial contract term, the termination charges described in Section 33.106.2(J) apply.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term (Cont’d)

33.106.2 Contract Terms (Cont’d)

(C) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(D) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements,

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.106.1(B),

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service, and

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.15(B), and the Service Rearrangement Charge reflected in Section 33.106.3(B) applies.

33.106.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs are one-time charges that apply for specific work activities.

(a) A NRC applies for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A NRC applies on a “per DS0 channel” basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.106 Contract Offering No. 106 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.106.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

	Monthly Rate	Non-Recurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 – Access Advantage Plus Transport Service – Two Year Term

33.107.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity,

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 256 Kbps of capacity,

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.107.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity,

(2) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity, and

(3) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31 If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.107.2 Contract Terms

(A) Contract Offering No. 107 is available during the purchase period which begins, December 9, 2006 and ends June 9, 2007.

(B) Pacific Bell Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 107.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6, for Contract Offering No. 107, is the initial contract term.

(4) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in Section 5.1.1.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 - Access Advantage Plus Transport Service - Two Year Term (Cont'd)

33.107.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 107 is two (2) years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 107 will be automatically converted to the applicable monthly renewal rate, found in Section 33.107.3 (B). The Customer may terminate Contract Offering No. 107 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 107 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 107.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 107 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.107.2(L). The termination charge for Contract Offering No. 107 is 50 percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 107 terminated, and the termination charges described in Section 33.107.2(J) apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the NRC to install service as reflected in Section 33.107.2(B).

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.107.2 Contract Terms (Cont'd)

(L) The Customer may elect to discontinue Contract Offering No. 107 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.107.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 107 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 107, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 107.

(M) Contract Offering No. 107 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 107 terminated. If Contract Offering No. 107 is terminated during the initial contract term, the termination charges described in 3 Section 3.107.2(J) apply. (N)

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ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.107.2 Contract Terms (Cont'd)

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements,

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.107.1(B),

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service, and

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B), and the Service Rearrangement Charge reflected in Section 33.107.3(B) applies.

33.107.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs are one-time charges that apply for specific work activities.

(a) A NRC does not apply for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) A NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.107 Contract Offering No. 107 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.107.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(1) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

	Monthly Rate	Non-Recurring Charge	CRIS USOC	CABS USOC
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service – Three Year Term

33.108.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity,

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 256 Kbps of capacity,

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.108.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity,

(2) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity, and

(3) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.108.2 Contract Terms

(A) Contract Offering No. 108 is available during the purchase period which begins, December 9, 2006 and ends June 9, 2007.

(B) Pacific Bell Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 108.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in Section 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 108, is the initial contract term.

(5) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(6) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.108.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date described in Section 5.1.1.

(E) The initial contract term for Contract Offering No. 108 is three (3) years and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Contract Offering No. 108 will be automatically converted to the applicable monthly renewal rate, found in Section 33.108.3 (B). The Customer may terminate Contract Offering No. 108 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 108 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 108.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 108 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.108.2(L). The termination charge for Contract Offering No. 108 is 50 percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%) (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.108.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 108 terminated, and the termination charges described in Section 33.108.2(J) apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The Customer may elect to discontinue Contract Offering No. 108 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.108.2(J) when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity,

(2) The new service is provided to the same end user's premises to which Contract Offering No. 108 was provided,

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 108, and

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 108. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.108.2 Contract Terms (Cont'd)

(M) Contract Offering No. 108 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 108 terminated. If Contract Offering No. 108 is terminated during the initial contract term, the termination charges described in Section 33.108.2(J) apply.

(N) The Telephone Company will designate the AA+ Transport Service Node from which service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements,

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.108.1(B),

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service, and

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B) and the Service Rearrangement Charge reflected in Section 33.108.3(B) applies. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.108 Contract Offering No. 108 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.108.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs are one-time charges that apply for specific work activities.

(a) A NRC does not apply for installation of each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) A NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) Monthly rates are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) A monthly rate applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

	Monthly Rate	**Non-Recurring Charge**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.109 Contract Offer No. 109 – Special Access Service Offer

33.109.1 General Description

Special Access Service Offer (Contract Offer No. 109) is an access discount pricing plan for which concurrent (N) subscription is required to the following Access Tariffs: (Nx) Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone (Nx) Company (SNET) Tariff F.C.C. No. 39. (N) Contract Offer No. 109 is available to any Customer with at least $14 million in cumulative annual recurring revenue for Contributory Services, as defined in Sections 33.109.2(C) and 33.109.2(D). The Customer must meet the Eligibility Criteria set forth in Section 33.109.2, and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 109 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 33.109.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company available under this Contract Offer. Contributory Services include Contributory Subject Services, as described in Section 33.109.2(C) and Contributory Non-Subject Services, as described in Section 33.109.2(D), herein. Contributory Non-Subject Services are not eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the AT&T wholesale sales channel (AT&T Wholesale Services).

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 33.109.4(E). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all Terms and Conditions of this Contract Offer, termination liability charges, in accordance with Section 33.109.11, shall apply.

Contract Offer No. 109 will only be available December 9, 2006 through January 9, 2007. (N)

(x) Issued under Authority of Special Permission No. 06-041 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 109, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

Contract Offer No. 109 is available only for Contributory Services located in the following Metropolitan Statistical Areas (MSAs):

(1) Portability and discounts provided in Sections 33.109.6 and 33.109.8 of this Contract Offer shall apply to all Channel Terminations and Interoffice (Channel) Mileage – Fixed and Per Mile associated with Subject Services, including Channel Terminations between the Telephone Company's end office and an end user premises (End User Channel Terminations), in the following MSAs:

Fresno, CA; Los Angeles – Lon Beach, CA; San Jose, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(2) Portability and discounts provided in Sections 33.109.5 and 33.109.8 of this Contract Offer shall apply to Channel Terminations, Interoffice (Channel) Mileage - Fixed and Per Mile associated with Subject Services, except for End User Channel Terminations, in the following MSAs:

Modesto, CA; Bakersfield, CA; and Non-MSA, CA.

(3) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any eligible Contributory Subject Services that the Telephone Company provides to the Customer, pursuant to this Contract Offer and available in those additional MSAs, may, at the Customer's option, be included in this Contract Offer beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs, provided that the MARC (N) increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 33.109.4.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.2 Eligibility Criteria (Cont'd)

(A) (Cont'd)

(N)
(Nx)

(4) The Customer's first year MARC shall be $14 Million in cumulative annual recurring revenue for Contributory Services in the following AT&T Companies: Ameritech, PBTC, SWBT, and SNET. (Nx)
(N)

(5) The Customer cannot subscribe to Contract Offer No. 109 concurrently with PBTC's MVP Offering in Section 22.

(B) Concurrent Subscription

(N)
(Nx)

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 109, pursuant to the following tariffs:

(1) Ameritech Tariff F.C.C No. 2, Section 22, Contract Offer No. 136;

(2) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 107; and

(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 30. (Nx)

(x) Issued under Authority of Special Permission No. 06-041 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.2 Eligibility Criteria (Cont'd)

(C) Contributory Services

The Customer's revenues for purposes of determining the achievement of the MARC shall include eligible Contributory Services provided under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Table 1, below, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as listed in Table 2, below.

Contributory Subject Services and Contributory Non-Subject Services shall together be known as Contributory Services for the purposes of this Contract Offer. The Customer's revenue, for purposes of determining the achievement of the MARC, includes recurring revenue from all Contributory Services being provided by the Telephone Company, as listed in Tables 1 and 2, herein.

(1) Contributory Subject Services

Contract Offer No. 109 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections as listed in Table 1, below:

Table 1

Service	General Basic Description	Rates & Charges Phase I	Rates & Charges Phase II
Special Access			
High Capacity Services	7.2.9	7.5.9	31.5.2.7
[1]			
OC-3, OC-12, OC-48 and [1]	7.2.11, [1]	7.5.13, [1]	31.5.2.10, [1]
[1]			
[1]			
Metallic Service	7.2.1	7.5.1	31.5.2.1
Telegraph Grade Service	7.2.2	7.5.2	31.5.2.2
Voice Grade Service	7.2.3	7.5.3	31.5.2.3
Switched Access Dedicated Transport Services	6	6.8	31.5.1

(D)
(D)

[1] Material previously contained in this section has been deleted. DSRS, GigaMAN, MON, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 109 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.2 Eligibility Criteria (Cont'd)

(D) Contributory Non-Subject Services

Contributory Non-Subject Services (that are not Contributory Subject Services) shall not be eligible for discounts or other incentives provided under this Contract Offer, and are listed in Table 2, below.

Table 2 - Contributory Non-Subject Services

Intrastate Special Access	Equivalent VG, DS0, DS1, DS3 , [1], [1], SRAS, STN, FGTS, BCS, [1], [1], [1] Services (D) (D)
Includes all Recurring Charges excluding Non-Recurring Charges associated with the products listed, where applicable, for all non-pricing flexibility qualified services.	

If the Telephone Company introduces a new Special Access or Switched Access service, or an enhancement to an existing Special Access or Switched Access service, then such services shall be automatically included as Contributory Non Subject Services, and the Customer's purchase of such new or enhanced Contributory Non-Subject Services shall be included in the calculation of the MARC, subject to the Terms and Conditions set forth in this Contract Offer.

All terms and conditions for the Contributory Services listed above are governed by their respective tariff sections, except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 33.109.4.

[1] See footnote (1) on page 33-963

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.3 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) is five (5) years, commencing on the date the Telephone Company receives a Letter of Subscription (LOS), and the Anniversary Date shall be based on that same date. Contract Offer No. 109 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period, in accordance with the Terms and Conditions set forth herein, must be converted to five (5) year term payment plans (where available) no later than April 1, 2007, to receive discounts pursuant to this Contract Offer, except for those services whose conversion would cause the rates to increase over existing rates (those services would be exempt and remain at existing rates on the current term payment plan for those services). If a five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select the longest term plan available for the Contributory Subject Service.

(B) Contributory Services are subject to certain rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. Tariff No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(C) Contract Offer No. 109 is available for subscription only from December 9, 2006 through January 9, 2007.

(D) The Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company.

(E) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6 of Subject Services under this Contract Offer, is prohibited.

(F) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in PBTC Tariff F.C.C. No. 1, Section 5 – Ordering Options.

(G) The Customer may not subscribe to any future Contract Offerings in PBTC Tariff F.C.C. No. 1, Section 33 in conjunction with this Contract Offer, which may be offered by the Telephone Company for Subject Services covered under this Contract Offer, unless expressly permitted in the future Contract Offer. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.3 Terms and Conditions (Cont'd)

(H) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under PBTC Tariff F.C.C. No. 1, Section 2.4 before exercising any remedy under this section. The Telephone Company will provide the Customer written notice (via registered letter) of non-compliance. The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period, or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes, or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 33.109.11 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in PBTC Tariff F.C.C. No. 1, Section 2.4.

(I) Customer must have achieved billing of Switched Access Dedicated Transport Services that is no greater than $100,000 upon subscription to this Contract Offer.

(J) The Customer will continue to receive the benefit of rate stability for any existing Contributory Subject Services currently under a term payment plan with the Telephone Company as provided for in the applicable tariff section from which the Contributory Subject Services were purchased. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.3 Terms and Conditions (Cont'd)

(K) Upon subscription to this Contract Offer, the Customer will be eligible for a one time billing credit in the amount of $140,000 applied to the Customer's Monthly Recurring Charges (MRC)for Contributory Subject Services. This one-time billing credit will be applied within a three (3) month period of the commencement of the Term Period.

(L) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 70 for existing Subject Services to be provided under this Contract Offer, to the extent such termination liability would result from the Customer's migration of Subject Services from that contract offer to this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff.

33.109.4 Minimum Annual Revenue Commitment (MARC)

Contract Offer No. 109 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 33.109.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company available under this Contract Offer. Contributory Services include Contributory Subject Services, as described in Section 33.109.2(C)(1), herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 33.109.2(C)(2).

(A) Establishing the MARC

(1) The Customer's Year 1 MARC will be established upon commencement of the Term Period. The Customer's MARC for Year 1 shall be $14 Million.

(2) The MARC will be re-established, effective on each Anniversary Date, beginning on the first anniversary (Year 2 MARC). The MARC for Years 2, 3, 4, and 5 will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous three (3) months multiplied by 4, or the then-current MARC, whichever is greater.

Example 1: Term Period begins on December 1, 2006. The Year 1 MARC is established upon subscription at $14M. The Customer's actual revenue from September 1, 2007 to November 30, 2007 is $4M. The new Year 2 MARC, effective December 1, 2007, is $16M ($4M multiplied by 4 equals $16M.)

Example 2: The Year 2 MARC is $16M. The Customer's actual revenue to the Telephone Company from September 1, 2008 to November 30, 2008 is $2.5M. The new Year 3 MARC, effective December 1, 2008, is $16M. (The $16.0M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.)

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Inclusion of Contributory Subject Services

(1) The following are the only billed revenues that can be included in the MARC:

(a) Monthly billed recurring revenues, including (net) any credits or discounts given under existing pricing plans (e.g. Term Payment plans or Commitment Discount Plan), if applicable, for the Subject Services provided during the Term Period.

(b) Any credits and adjustments made to monthly billed amounts for Subject Services which are purchased by the Customer during the Term Period.

(c) All other charges, other than those listed in Section 33.109.4(B)(1), are excluded, including non-recurring charges.

Customer's existing Contributory Subject Services that are included in the MARC will be based on the rates that would apply to a five-year minimum term, regardless of whether the Contributory Subject Services were actually purchased pursuant to a five-year term at the time of subscription to this Contract Offer.

(C) Inclusion of Additional Contributory Services

Notwithstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company according to a tariff or contract offer other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 33.109.4. The Customer must provide written notice to the Telephone Company of its wish to exercise this option.

Example Year 1 MARC = $14.0M. If, during Year 1, Customer wishes to include $2M of annual spend currently purchased from the Telephone Company under another tariff or contract offer, and if those services qualify as Contributory Services, the new Year 1 MARC is $16.0M. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(D) MARC Adjustments

The Customer may exercise the following adjustments to the MARC pursuant to the terms listed below:

(1) Option 1 - The Customer may, at its option, adjust the MARC downward up to 10 percent. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least sixty (60) days prior to the Anniversary Date upon which the adjustment is to become effective.

(2) Option 2 - The Customer may carry over a shortfall of no more than 5 percent into the next contract year. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least sixty (60) days prior to the Anniversary Date upon which the adjustment is to become effective. If the Customer opts to carry over a shortfall, the Customer's next year MARC will be increased to reflect that shortfall amount. If at the end of the subsequent contract year, the Customer does not meet its MARC, the Customer must make a shortfall payment sufficient to achieve that year's MARC, or will be subject to termination liabilities as outlined in Section 33.109.4(E). This option cannot be combined with the MARC adjustment option as described in Section 33.109.4(D)(1).

The MARC adjustments described above shall apply prospectively only. If the Customer uses either of the MARC adjustment options in conjunction with any of the Merger and Acquisition options outlined in Section 33.109.9, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated, provided the Eligibility Criteria in Section 33.109.2 and the Terms and Conditions in Section 33.109.3 have been met prior to the MARC adjustment, and annual Billing Credits will no longer apply as detailed in Section 33.109.5.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(E) Failure to Achieve the MARC

The Customer and the Telephone Company shall exchange information annually, and shall meet annually, if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date. If the Customer fails to achieve the annual MARC Commitment as of the Anniversary Date, the Customer will be notified by the Telephone Company and will be required to remit an Annual True-up payment to reach the MARC commitment. The True-up calculation will be performed as follows:

Annual MARC – Actual Annual recurring revenues for Subject Services = Annual True-up Amount

If the Customer fails to submit its Annual True-Up payment to the Telephone Company within thirty (30) days after notification from the Telephone Company, the Customer shall be deemed to have terminated its Contract Offer No. 109, and termination charges will apply as set forth in Section 33.109.11.

33.109.5 Discounts and Other Credits

(A) Discount Schedule and Application

On each Anniversary Date, the Customer shall be eligible to receive the following annual Billing Credit, as set forth in Table A, subject to the Customer's compliance with all Terms and Conditions of this Contract Offer. Credits will be applied to the Customer's bill no later than ninety (90) days after each Anniversary Date. Recurring revenue generated from Contributory Subject Services, that were not included in this Contract Offer at the time of subscription, are not eligible for discounts under this Contract Offer, unless and until those Contributory Subject Services have been added to this Contract Offer as permitted under this Contract Offer.

Table A

MARC Level	Billing Credit
$14,000,000	3.00%
$15,000,000	3.50%
$16,000,000	4.00%
$17,000,000	4.50%
$18,000,000	5.00%
$19,000,000	5.50%
$20,000,000	6.00%
$21,000,000	6.50%
$22,000,000	7.50%
$23,010,000	0%

MARC levels will be rounded up or down to the nearest $10,000.

(N)

(This page filed under Transmittal No. 326)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

Example: If the Customer meets the minimum MARC of $14,000,000 for the sum of all Contributory Services, and has Subject Services revenue of $9,584,000, the Customer will be eligible to receive a credit of $295,620.

$9,854,000 X 3% = $295,620

33.109.6 Incentives

(A) Purchase of New Contributory Subject Services

(1) During the Term Period, the Customer may include eligible billed revenue, as described in Section 33.109.4 (B), for the purchase of new Contributory Subject Services. Eligible billed revenue generated from new Subject Services shall count towards meeting the MARC when the Telephone Company determines achievement of the MARC and establishes the new MARC for the following year. The Telephone Company shall increase eligible billed revenue for the purchase of new Contributory Subject Services by 15 percent during the contract year the new Contributory Subject Services were purchased pursuant to this Contract Offer.

The calculation to determine if the Customer met the MARC requirements will be:

(New Subject Services purchased during the first contract year multiplied by 1.15) + Existing Contributory Subject Services = Total value of Contributory Subject Services.

Example: Year 1 MARC is $14M. Assume that the Customer's total monthly billed recurring revenues for new [1] Contributory Subject Services during the Term Year 1 was $1M. The Telephone Company will calculate the eligible billed revenue for new Contributory Subject Services and the Customer shall be deemed to have purchased $1,150,000 ($1.15M) in Contributory Subject Services. If the Customer had $13,000,000 ($13M) in other Contributory Subject Services, plus the calculated $1,150,000 ($1.5M) in new [1] revenue, then the customer shall deemed to have $14,150,00 ($14.15M) in eligible billed revenue for purposes of determining achievement of Year 1 MARC. (D)

(D)

[1] See footnote (1) on page 33-963

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.6 Incentives (Cont'd)

(A) Purchase of New Contributory Subject Services (Cont'd)

(2) The total value of Contributory Subject Services will then determine if the Customer achieves the MARC as described in Section 33.109.4, and/or has earned any incentive credits as described in Section 33.109.5.

(3) The increase value of eligible new Contributory Subject Services shall be used only to determine achievement of the MARC, and not for any other purposes. If the Customer fails to meet the MARC requirements, as stated in Section 33.109.4, after such calculation as described above, the Customer will be subject to the true-up provision as stated in Section 33.109.4(E).

(4) For purposes of this Contract Offer, any new [1] service purchased during the Term Period to be included for the purposes of receiving the incentive as described herein, must meet one of the following criteria:

(a) Must be newly ordered and provisioned during the Term Period; or

(b) Must be an upgrade of an existing Special Access service that was not previously a [1] service (e.g., upgrade of a DS1 or DS3 to a [1] service) under the provisions set forth in other sections of this tariff. (D) (D)

[1] See footnote (1) on page 33-963

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.6 Incentives (Cont'd)

(B) Conversion of DS1 or DS3 Capacity Loops:

During Contract Year 1 of this Contract Offer, Customers subscribed to this Contract Tariff who convert their DS1 or DS3 capacity loops, dedicated transport, or Expanded Extended Loops (**EELs**) provided by the Telephone Company as unbundled network elements (**UNEs**) to Special Access Service, the Telephone Company shall multiply the Customer's eligible billed revenue associated with such converted UNEs by 1.50 towards the achievement of the MARC. The converted services in Contract Years 2, 3, 4, and 5 will not receive the billed revenue multiplier towards the achievement of the MARC. This multiplier shall be used only to determine the billed revenue for Contributory Services for purposes of MARC achievement and establishing the new MARC for the following Contract Year, and not for any other purpose. The Customer shall provide a detailed list of circuits that have been converted to the Telephone Company within thirty (30) days of the end of Contract Year 1 for verification.

For example, if the customer converts $1M in UNEs to Special Access Services during the Contract Year 1, the customer shall be deemed to have purchased $1,500,000 ($1.50M) in Special Access DS1 Services for purposes of calculating the billed revenue for Contributory Services for achieving the MARC as described in section 33.109.4. In subsequent years, the converted UNE services would count as $1,000,000 ($1M) towards MARC calculations.

33.109.7 Non-Recurring Charges

(A) Conversion of Existing and UNE Services

The Telephone Company will waive installation non-recurring charges (NRCs) associated with the conversion of UNEs or existing special access services to Subject Services purchased pursuant to this Contract Offer, except for Access Order charges.

In addition, the Telephone Company will waive NRCs associated with the conversion of existing UNE circuits which are converted to Special Access Services under the terms of this Contract Offer.

(B) New Subject Services

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract offer, except for Access Order Charges.

(C) To receive credits for installation NRCs as defined in 33.109.7(B), the Customer must be in compliance with all Terms and Conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 33.109.4(A), and/or fails to pay the Annual True-Up as defined in Section 33.109.4(E), termination liability charges will apply as set forth in Section 33.109.11. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.7 Non-Recurring Charges (Cont'd)

(D) In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

The Customer must pay all other applicable non-recurring charges, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC Tariff F.C.C. No. 1, Section 5.2.2 for Contributory Subject Services pursuant to this Contract Offer.

33.109.8 Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits, or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer.

(B) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 33.109.2(B).

(C) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.

(D) DS3, [1] and [1] Services must have been in service for a minimum of one (1) year from the original installation date. (D)

[1] See footnote (1) on page 33-963

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 - Special Access Service Offer (Cont'd)

33.109.8 Portability (Cont'd)

(E) [1], [1] and [1] Services must have been in service for a minimum of three (3) years from the original installation date. (D)

If, and to the extent that [1] becomes eligible for pricing flexibility, [1] may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such [1] service shall be eligible for portability, provided that, for each [1] circuit to be ported: (D) (D) (D) (D)

(1) facilities necessary to provide [1], as specified in PBTC Tariff F.C.C. No. 1, Section [1], exist at the end user location in which the circuit is being moved; and (D) (D)
(2) the circuit has been in service for a minimum of one (1) year from the original installation date.

33.109.9 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 109 shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 33.109.4.

(1) The Customer must be meeting MARC commitments, and all Eligibility Criteria and Terms and Conditions outlined in Sections 33.109.2 and 33.109.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have an option (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise this option in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the calculation of the MARC, as described in Section 33.109.4, nor will such revenues be eligible for any discounts provided under this Contract Offer.

[1] See footnote (1) on page 33-963

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.9 Mergers and Acquisitions Involving the Customer (Cont'd)

(A) (Cont'd)

(4) The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete, and/or the final date on which the assets of the acquired/merged company have been purchased.

(5) If the Customer has selected, but not yet fully implemented, the option provided herein, the MARC, and any MARC adjustment calculation as provided in Section 33.109.4, will apply only to the Customer's original (pre-merger or acquisition) MARC, and will not include revenue from the other company involved in the merger or acquisition.

(6) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer elects the provision in this subsection, in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented the option provided herein, the Customer will not be eligible to earn the MARC Billing Credits discussed in Section 33.109.5 (A) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented the option provided herein, the Customer will be eligible for MARC Billing Credits provided in Section 33.109.5(A) for recurring annual revenue for the new combined MARC.

Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the conversion of the eligible services to Contributory Services under this Contract Offer, MARC Billing Credits will continue to apply, and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.109 Contract Offer No. 109 - Special Access Service Offer (Cont'd)

33.109.9 Mergers and Acquisitions Involving the Customer (Cont'd)

(B) Option

(1) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85 percent, but not more than 100 percent (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(2) The Customer must exercise this option within sixty (60) days following the Transaction Close Date.

(3) This option is not available in Year 5 of the Term Period.

33.109.10 Merger or Acquisition Involving the Telephone Company

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are, or become, eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts as listed in PBTC Tariff F.C.C. No. 1, Section 33, or otherwise applicable tariff sections pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 33.109.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 - Special Access Service Offer (Cont'd)

33.109.11 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7. If the Customer terminates Contract Offer No. 109 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification ninety (90) days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer. If the Customer fails to meet any of the eligibility criteria in Section 33.109.2, or fails to meet any of the Terms and Conditions in Section 33.109.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 109, and termination liability charges will apply, as stated below, and will be payable pursuant to PBTC Tariff F.C.C. No. 1, Section 2.4.

The Customer's termination liability charge shall be equal to the following: If the Customer terminates the Contract Offer prior to the expiration of a term year, 100 percent of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 109 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10 percent of the Base MARC for the remaining portion of Year 1, plus 10 percent of the Base MARC for the remaining years of the Term Period.

(2) If terminated in Year 2, 12.5 percent of the Year 2 MARC for the remaining portion of Year 2, plus 12.5 percent of the Year 2 MARC for the remaining years of the Term Period.

(3) If terminated in Year 3, 12.5 percent of the Year 3 MARC for the remaining portion of Year 3, plus 12.5 percent of the Year 3 MARC for the remaining years of the Term Period.

(4) If terminated in Year 4, 12.5 percent of the Year 4 MARC for the remaining portion of Year 4, plus 12.5 percent of the Year 4 MARC for Contact Year 5.

(5) If terminated in Year 5, 10 percent of the Year 5 MARC for the remaining portion of Contract Year 5.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.109 Contract Offer No. 109 – Special Access Service Offer (Cont'd)

33.109.11 Termination Liability (Cont'd)

(B) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer, or other contract or tariff arrangement, to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer, or other contract or tariff governing the new service offerings, must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(C) This Section 33.109.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 109, except for charges due and payable for Contributory Services rendered prior to the date of termination, and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 33.109.7 and 33.109.11. (N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. GigaMAN services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 110 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-980

33. [1] (D)

[1] See footnote (1) on page 33-980

33. [1] (D)

[1] See footnote (1) on page 33-980

33. [1] (D)

[1] See footnote (1) on page 33-980

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (N)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer

33.111.1 General Description

This DS1 Special Access Service Offer – Contract Offer No. 111 is an access discount pricing plan for DS1 special access services. Contract Offer No. 111 permits Customers to receive discounts for Subject Services as described in Section 33.111.2 in the Metropolitan Statistical Areas (hereafter referred to as MSAs) listed in Section 33.111.3. The Customer must meet the Eligibility Criteria set forth in Section 33.111.3, and also must comply with the Terms and Conditions as described in Section 33.111.4.

Contract Offer No. 111 is available for subscription December 20, 2006 through January 20, 2007. This offer is not renewable.

33.111.2 Subject Services Available Under Contract Offer No. 111

(A) Contract Offer No. 111 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) DS1 Special Access Services – Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9.

(B) Each Subject Service shall be provided according to the rates, terms and conditions of the otherwise applicable tariff, except as expressly provided by this Contract Offer. If any provisions of this Contract Offer conflict with the otherwise applicable tariff, the rates, Terms and Conditions of this Contract Offer shall prevail. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to Contract Offer No. 111:

(A) Contract Offer No. 111 is available only for services located in the following Metropolitan Statistical Areas (MSAs):

(1) Discounts and portability provided in Sections 33.111.6 and 33.111.9 of this Contract Offer shall apply to all Channel Terminations and Interoffice (Channel) Mileage – Fixed and Per Mile associated with Subject Services, including Channel Terminations between the Telephone Company's end office and an end user premises (End User Channel Terminations), in the following MSAs:

San Jose, CA; Fresno, CA; Los Angeles/Long Beach, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(2) Discounts and portability provided in Sections 33.111.6 and 33.111.9 of this Contract Offer shall apply to Channel Terminations, Interoffice (Channel) Mileage - Fixed and Per Mile associated with Subject Services, except for End User Channel Terminations, in the following MSAs:

Non-MSA, CA; Modesto, CA; and Bakersfield, CA.

(3) The Customer must currently subscribe to the Managed Value Plan (MVP) as described in PBTC Tariff F.C.C. No.1, Section 22.

(B) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any eligible Subject Services provided to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.4 Terms and Conditions

(A) Subscription

To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company, which must be submitted during the contract availability period.

At the time of subscription, the Customer must provide all of the Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer. Additional ACNAs may not be included by the Customer after subscription to this Contract Offer, except pursuant to Section 33.111.10.

(B) Term Period

The term of this Contract Offer (Term Period) shall be eighty-four (84) months, commencing on the date the Telephone Company receives the LOS from the Customer. This date shall be deemed to be the contract anniversary date in subsequent years of this offering.

Discounts, described in Section 33.111.6, will only be provided during the Term Period.

Upon expiration of the Term Period, Subject Services will be provided according to the rates, terms and conditions of the otherwise applicable term payment plan.

(C) Service Term

New Subject Services must be purchased subject to either five (5) year or seven (7) year term payment plans. Existing Subject Services to be provided under this Contract Offer must be converted to either five (5) year or seven (7) year term payment plans. The Customer shall designate the applicable term payment plan at the time of purchase or conversion of each Subject Service. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.4 Terms and Conditions (Cont'd)

(A) Rate Stability

Rate stability applies only to the rates specific to Contract Offer No. 111, as listed in Section 33.111.6. Subject Services are also subject to certain rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1, including Sections 2-General Regulations, 5-Ordering Options, 7-Special Access Service, 13-Additional Engineering, Additional Labor and Miscellaneous Services, and 22-Managed Value Plan (MVP). Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Termination

If the Customer terminates this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.111.12.

If the Telephone Company determines that the Customer has failed to comply with any of the Terms and Conditions of this Contract Offer, the Telephone Company will notify the Customer in writing. The Customer will have thirty (30) calendar days to return to compliance. Failure to comply within thirty (30) calendar days will constitute a default by the Customer, and the Telephone Company shall have the right to terminate this Contract Offer. In the event of such termination by the Telephone Company, termination liability charges will apply as set forth in Section 33.111.12.

(C) The Customer must pay billed charges in full during the Term Period. If the Customer fails to remain current on payment of all billed charges, the Customer will have thirty (30) business days from receipt of the written notice from the Telephone Company to comply. If the Customer does not comply, the Telephone Company shall have the right to terminate the Customer's subscription to this Contract Offer. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 33.111.12, will apply. Credits will not be issued until the Customer has paid all billed charges. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.4 Terms and Conditions (Cont'd)

(G) If the Customer requests additional service features and functions not included in 33.111.6 the Customer must pay the applicable tariff rates for those features and functions.

(H) The Subject Services are eligible to be included in the Customer's subscription to PBTC Tariff F.C.C. No.1, Section 22 (MVP).

(I) The Customer must be current on all undisputed billing for existing Subject Services within thirty (30) calendar days of subscribing to this Contract Offer, and must remain current on all undisputed billing for Subject Services throughout the Term Period. The Customer shall remit any billing disputes for Subject Services provided under this Contract Offer via the Telephone Company's electronic process.

(J) Commingling (as defined in PBTC F.C.C. No. 1, Section 2.6) of Subject Services, provided pursuant to this Contract Offer, is prohibited.

(K)If the Customer terminates any Subject Service during the Term Period, termination liability charges shall apply in accordance with Section 33.111.12, except to the extent that termination liability charges do not apply pursuant to the portability provisions of this Contract Offer, as provided in Section 33.111.9.

(L) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 80 for existing Subject Services to be provided under this Contract Offer, to the extent such termination liability would result from the Customer's migration of Subject Services from (N) that contract offer to this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff sections.

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd) (N)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.5 In-Service Requirements

(A) The Customer must meet an in-service requirement for DS1 Subject Services provided under this Contract Offer. The Customer must have purchased and/or converted a minimum of 5,000 DS1 services pursuant to the rates, terms and conditions of this Contract Offer no later than sixty (60) months after the commencement of the Term Period.

(B) Existing services that are converted to count toward the in-service requirement must have a Percent of Interstate Usage (PIU) greater than ten (10). The Customer must submit Access Service Requests (ASRs) to the Telephone Company for existing services to be converted within eighteen (18) months of subscribing to this Contract Offer.

(C) The Customer may convert up to 820 existing DS1 services currently under monthly extension rates to the rates, Terms and Conditions of this Contract Offer. Any such services converted will count towards the in-service requirement as specified herein.

(D) The Customer may convert any existing DS1 Unbundled Network Elements (UNEs) to special access subject services under the rates, Terms and Conditions pursuant to this Contract Offer. Any UNE services converted will count towards the in-service requirement as specified herein. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.6 Rates and Charges

(A) Monthly Recurring Charges and Credits

The Customer shall pay the following Monthly Recurring Charges (MRCs) for the services as described herein according to the term payment plan chosen for each service. Rates in Table A below, also apply to existing DS1s converted to this Contract Offer.

Table A

DS1 Special Access Services Rate Element	USOC	5 Yr MRC	7 YR MRC
Channel Termination – Per Point of Termination - Zone 1	TMECS	$90.00	$87.75
Channel Termination – Per Point of Termination - Zone 2	TMECS	$104.50	$102.13
Channel Termination – Per Point of Termination - Zone 3	TMECS	$117.60	$115.15
Channel Mileage – Fixed – Zone 1	1L5XX	$35.00	$32.50
Channel Mileage – Fixed - Zone 2	1L5XX	$37.50	$35.00
Channel Mileage – Fixed – Zone 3	1L5XX	$40.00	$37.50
Channel Mileage – Per Mile – Zone 1	1L5XX	$7.65	$7.43
Channel Mileage – Per Mile – Zone 2	1L5XX	$8.55	$8.32
Channel Mileage – Per Mile – Zone 3	1L5XX	$9.07	$8.82

(B) Non-Recurring Charges

The Telephone Company shall waive the following Non-Recurring Charges (NRCs), as described in PBTC Tariff F.C.C. No.1, Section 31.5.2.7, for the purchase of new DS1 Subject Services and the conversion of any UNEs to special access services pursuant to this Contract Offer:

Table B

Non-Recurring Charges	USOCs
Administrative Charge, per order	NRBAO
Channel Termination Non-Recurring Charge	TMECS

(C) The Customer must pay all other applicable NRCs, including rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC F.C.C. No. 1, Section 5.2.2, for Subject Services pursuant to this Contract Offer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.7 Network Optimization Credit

The Customer shall receive a Network Optimization Credit of $25 for each new DS1 Subject Service purchased under this Contract Offer during the first thirty-six (36) months of the Term Period.

The Network Optimization Credit shall be collected in a fund for the Customer, maintained by the Telephone Company, for the purposes of reducing the Channel Facility Assignment/Point of Presence (CFA/POP) network charges billed by the Telephone Company for network facility moves, as described in PBTC Tariff F.C.C No. 1, Section 7.5.9, listed in Table C, below. Network charges associated with the conversion of existing Subject Services under this Contract Offer, as described in 33.111.5, are not eligible for Network Optimization Credits.

Table C

Optional Features and Functions	USOCs
Rollover - Per point of Termination (All Zones)	NRBR1/NRBRH
Rollover when Point of Termination Changes – Per Point of Termination (All Zones)	NRBR0

The Network Optimization Credit fund maintained by the Telephone Company shall not exceed $125,000.

On each anniversary of the commencement of the Term Period, the Customer shall submit a list to the Telephone Company of applicable CFA/POP charges billed by the Telephone Company per the USOCs, as listed in Table C, above, in order to receive the credits as described herein. Upon verification of the billed network charges submitted by the Customer, the Telephone Company shall apply a credit to the Customer's bill within ninety (90) days after the submission of the list by the Customer.

Network Optimization Credits collected during the first thirty-six (36) months of this Contract Offer shall be applied to the Customer's bill during the Term Period until the fund maintained by the Telephone Company is depleted, or the Term Period has ended, whichever comes first. Any credits not used for the CFA/POP network charges, as described above, upon expiration of this Contract Offer shall not be available for credit to the Customer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.8 Additional Credit

The Customer shall receive an additional credit of two percent of the revenue generated from Subject Services on the following rate elements: Channel Terminations, Channel Mileage Fixed and Channel Mileage Variable, listed in Table A of Section 33.111.6, for new DS1s purchased in the first twelve (12) months of the Term Period, provided that the Customer purchase at least 2,500 DS1 Subject Services during that same time period. The credit will be computed on the first anniversary date of the Term Period and will be credited to the Customer's bill within ninety (90) calendar days of that anniversary date, if the Customer has met the requirements as described herein.

33.111.9 Portability

The Telephone Company shall waive otherwise applicable termination liability charges for moves and/or disconnections of Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis.

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer.

(A) Existing Subject Services converted to this Contract Offer must have been in-service for a minimum of thirty (30) calendar days from the commencement of the Term Period.

(B) New Subject Services purchased by the Customer after the commencement of the Term Period must complete a minimum in-service period of thirty (30) calendar days from their initial installation date. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111- DS1 Special Access Service Offer (Cont'd)

33.111.10 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.111.11 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 111 pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.12 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Sections 7 and 31. If the Customer terminates Contract Offer No. 111 before the completion of the Term Period for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination. The Customer must provide written notification ninety (90) calendar days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the Terms and Conditions of this Contract Offer, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer shall have thirty (30) calendar days to comply. If the Customer does not comply within such time period, the Customer shall be deemed to have terminated its participation in Contract Offer No. 111, and termination liability charges will apply as stated below, and will be payable pursuant to PBTC F.C.C. No. 1, Sections 7 and 31.

The Customer's termination liability charge shall be equal to the following:

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of waived NRCs received under Contract Offer No. 111 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(A) If terminated in Year 1, 10 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 1, plus 10 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(B) If terminated in Year 2, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 2, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111– DS1 Special Access Service Offer (Cont'd)

33.111.12 Termination Liability (Cont'd)

(C) If terminated in Year 3, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 3, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(D) If terminated in Year 4, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 4, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(E) If terminated in Year 5, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 5, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(F) If terminated in Year 6, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 6, plus 12.5 percent of the monthly recurring revenue for the remaining months of the Term Period, calculated on an annual basis.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.111 Contract Offer No. 111- DS1 Special Access Service Offer (Cont'd)

33.111.12 Termination Liability (Cont'd)

(E) If terminated in Year 7, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 7.

Example 1: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer nine (9) months after the commencement of the Term Period, the Customer would be charged 100 percent of the NRCs that were waived for the prior six (6) months, plus 10 percent of the monthly recurring revenue from Subject Services at the time of termination for the remaining portion of Year 1, plus 10 percent of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 2 – 7, for a total termination charge of $616,083.

This is computed as:

$14,000 + (($83,333.33 x .10) x .25) + ((($83,333.33 x .10) x 12) x 6) = $616,083

Example 2: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer two (2) years and nine (9) months after the commencement of the Term Period, the Customer would be charged 100 percent of the NRC's that were waived for the previous six (6) months, plus 12.5 percent of the monthly recurring revenue from Subject Services at the time of termination for the last three (3) months of that contract year, plus 12.5 percent of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 4 - 7, for a total of $516,604.

This is computed as:

$14,000 + ((($83,333.33 x .125) x .25) + ((($83,333.33 x .125) x 12) x 4) = $516,604 (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.112 Contract Offer No. 112 – Special Access Service Offer

33.112.1 General Description

This Special Access Service Offer (Contract Offer No. 112) is an access discount plan that requires Customers to maintain a Minimum Annual Revenue Commitment (MARC) during the Contract Term Period. Contract Offer No. 112 is available to any Customer who commits to a MARC of at least $10 million, as provided by this Contract Offer. The qualified access services eligible under this Contract Offer are listed in Section 33.112.2. To receive discounts under this Contract Offer, the Customer must meet the Eligibility Criteria described in Section 33.112.3, and must comply with all Terms and Conditions described in Section 33.112.4 of this Contract Offer.

Contract Offer No. 112 requires the Customer to establish and maintain a MARC for each year of the Term Period, as defined in Section 33.112.5 (A). The MARC shall include all Subject Services provided by the Telephone Company purchased in the eligible Metropolitan Statistical Areas (MSAs) listed in Section 33.112.3 (A).

If, upon any MARC achievement review, the Customer's recurring revenue from Subject Services is less than the applicable MARC, the Customer must remit a shortfall payment via the Monthly True-Up process set forth in Section 33.112.5(C). If the Customer does not comply with all Terms and Conditions of this Contract Offer and cure any non-compliance situations of this Contract Offer, termination liability charges, in accordance with Section 33.112.10, will apply.

Contract Offer No. 112 will be available for subscription only from December 22, 2006 through January 22, 2007.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.2 Subject Services

The rates and Terms and Conditions of Contract Offer No. 112 apply to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

Special Access Service	General Basic Description	Rates & Charges Phase I	Rates & Charges Phase II
DS1 and DS3 Services	7.2.9	31.5.2	31.5.2.7
[1]				(D)

Each Subject Service shall be provided according to the rates and terms and conditions of the otherwise applicable tariff, except as expressly provided by this Contract Offer. If any provisions of this Contract Offer conflict with the otherwise applicable tariff, the rates and Terms and Conditions of this Contract Offer shall prevail.

33.112.3 Eligibility Criteria

The following Eligibility Criteria must be met to subscribe to Contract Offer No. 112:

(A) Contract Offer No. 112 is available only for services located in the following Metropolitan Statistical Areas (MSAs):

(1) Portability and discounts provided in Sections 33.112.6 and 33.112.7 of this Contract Offer shall apply to all Channel Terminations, Interoffice (Channel) Mileage, and Multiplexers associated with Subject Services, including Channel Terminations between the Telephone Company's end office and an end user premises (End User Channel Terminations), in the following MSAs:

San Jose, CA; Fresno, CA; Los Angeles/Long Beach, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(2) Portability and discounts provided in Sections 33.112.6 and 33.112.7 of this Contract Offer shall apply to Channel Terminations, Interoffice (Channel) Mileage - Fixed and Per Mile, and Multiplexers associated with Subject Services, except for End User Channel Terminations, in the following MSAs:

Non-MSA, CA; Modesto, CA; and Bakersfield, CA.

(3) If the Telephone Company receives additional pricing flexibility relief, revenue generated from services in the new relief areas will be included in the MARC Recalculation to Adjust the MARC Due to Pricing Flexibility Relief, as described in Section 33.112.5(A)(3).

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 112 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.3 Eligibility Criteria (Cont'd)

(B) The Customer must have at least $10 million in annual revenue from existing Subject Services, as listed in Section 33.112.2.

(C) The Customer must currently subscribe to the Managed Value Plan (MVP) as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No.1, Section 22.

33.112.4 Terms and Conditions

(A) Subscription

To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company, which must be submitted during the contract availability period.

At the time of subscription, the Customer must provide all of the Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer. Additional ACNAs may not be included by the Customer after subscription to the Contract Offer, except pursuant to Section 33.112.9.

(B) Term Period

The term of this Contract Offer (Term Period) shall be eighty-four (84) months, commencing on the date the Telephone Company receives the LOS from the Customer. This date shall be deemed to be the contract anniversary date in subsequent years of this offering.

Discounts, described in Section 33.112.7, will only be provided during the Term Period.

Upon expiration of the Term Period, Subject Services will be provided according to the rates, terms and conditions of the otherwise applicable term payment plan.

(C) Service Term

New Subject Services must be purchased subject to five (5) year term payment plans, and existing Subject Services must be converted to five (5) year term payment plans, to be included in this Contract Offer.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.4 Terms and Conditions (Cont'd)

(A) Rate Stability

Rate stability applies only to the rates specific to Contract Offer No. 112, as listed in Section 33.112.7. Subject Services are also subject to certain rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1, including Sections 2-General Regulations, 5-Ordering Options, 7-Special Access Service, 13-Additional Engineering, Additional Labor and Miscellaneous Services, and 22-Managed Value Plan. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Termination

If the Customer terminates this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.112.10(A).

If the Telephone Company determines that the Customer has failed to comply with any of the Terms and Conditions of this Contract Offer, the Telephone Company will notify the Customer in writing. The Customer will have thirty (30) calendar days to return to compliance. Failure to comply within thirty (30) calendar days will constitute a default by the Customer, and the Telephone Company shall have the right to terminate this Contract Offer. In the event of such termination by the Telephone Company, termination liability charges will apply as set forth in Section 33.112.10(A).

(C) The Customer must pay billed charges in full during the Term Period. If the Customer fails to remain current on payment of all billed charges, the Customer will have thirty (30) business days from receipt of the written notice from the Telephone Company to comply. If the Customer does not comply, the Telephone Company shall have the right to terminate the Customer's subscription to this Contract Offer. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 33.112.10, will apply. Credits will not be issued until the Customer has paid all billed charges. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.4 Terms and Conditions (Cont'd)

(G) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6, is not permitted.

(H) The Customer must convert 100 percent of the Customer's UNE DS1s and DS3s located in the MSAs identified in 33.112.3(A) to Subject Services provided under this Contract Offer no later than eighteen (18) months after the beginning of the Term Period. The revenue from these converted services will count in establishing the MARC as described in 33.112.5(A). If any delay in the required conversions is caused by the Telephone Company, the Customer will not be considered to be in violation of the terms of this conversion requirement, to the extent such violation directly results from the delay caused by the Telephone Company.

(I) The Subject Services are eligible to be included in the Customer's subscription to PBTC Tariff F.C.C. No.1, Section 22 (MVP).

(J) Access Service Ratio

During the Term Period, the Customer must maintain an Access Service Ratio 95 percent or greater no later than twelve (12) months after the beginning of the Term Period and 98 percent no later than eighteen (18) months after the beginning of the Term Period, calculated as described below, for services purchased by the Customer in the MSAs identified in Section 33.112.3(A) of this Contract Offer. Thereafter, the Customer must maintain an Access Service Ratio greater than or equal to 98 percent, to be measured as of the second anniversary date and each subsequent anniversary date of this Contract Offer.

The ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer's and its affiliates' interstate recurring billed revenue associated with the rate elements defined in Table A, below:

TABLE A:

Service	PBTC Tariff No.1, General/Basic Description Sections
DS1 and DS3 Services	7.2.9
(1)		(D)
(1)		(D)

(1) See footnote (1) on page 33-999

(This page filed under Transmittal No. 385)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.4 Terms and Conditions (Cont'd)

(J) Access Service Ratio (Cont'd)

(2) Wholesale Revenue is the Customer's and its affiliates' recurring billed revenue for associated rate elements, as defined in Table B below, not included in the interstate tariff(s).

(3) The terms of the Access Service Ratio applicable to this Contract Offer shall not alter the terms of any Access Service Ratio provision(s) of any other tariff(s) under which the Customer obtains service.

Table B

Service Level	**Associated Rate Elements Not Included in Interstate Tariff**
DS1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service** (Z)
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.5 Minimum Annual Revenue Commitment (MARC)

(A) Establishment and Calculation of the MARC

(1) Year 1 MARC Calculation

Pursuant to this Contract Offer, the Customer must establish and maintain a Minimum Annual Revenue Commitment (MARC). The Customer's Year 1 MARC will be calculated and established thirty (30) calendar days after the Customer has subscribed to this Contract Offer, and shall be the greater of:

(i) $10 million; or

(ii) The current monthly recurring revenue billed for channel terminations, channel mileage, and multiplexers for DS1, DS3, [1], [1] and [1] Services, multiplied by twelve (12). (D)

Example for MARC Establishment

At the time of the calculation, the Customer's actual monthly recurring billed revenue for Subject Services is $750,000. The monthly recurring billed revenue multiplied by twelve (12) would be $9,000,000 calculated as ($750,000 X 12). The Year 1 MARC would be $10,000,000, because $10,000,000 is greater than $9,000,000.

(2) Years 2 - 7 MARC Calculations

The MARC for Years 2 - 7 will be recalculated at each annual contract anniversary date as follows:

The Recalculated MARC will be determined by multiplying the total of the prior three (3) months recurring revenue for all Subject Services by four (4). If the Recalculated MARC is greater than the previous year's MARC, the newly Recalculated MARC will apply during the next year. If the Recalculated MARC is less than the previous year's MARC, the previous year's MARC will continue to apply during the next year.

[1] See footnote (1) on page 33-999

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Establishment and Calculation of the MARC (Cont'd)

(2) Years 2 - 7 MARC Calculations (Cont'd)

Example for Year 2 MARC Establishment

The Customer's Year 1 MARC is $10,000,000. The Customer's prior three (3) months recurring revenue is $2,000,000. The monthly recurring revenue multiplied by four is $8,000,000. In this example, the Year 1 MARC of $10,000,000 will continue to apply during Year 2, because the Recalculated MARC is less than the Year 1 MARC ($8,000,000 < $10,000,000).

(2) MARC Recalculation due to Pricing Flexibility Relief

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not noted in Section 33.112.3(A), current monthly recurring revenue from Subject Services in the additional relief areas will be multiplied by twelve (12), and added to the MARC for the current year to establish the recalculated MARC.

(B) Calculations to Determine Achievement of the MARC

(1) Achievement of the MARC shall be determined according to the recurring revenue attributable to channel terminations, channel mileage, and multiplexers from Subject Services, as billed by the Telephone Company. Recurring revenue from Subject Services shall include Subject Services to which the Customer subscribes as of the commencement of the Term Period and/or purchases during the Term Period. To be included in the Calculations to Determine Achievement of the MARC, all recurring revenue must be billed under the ACNAs included in this Contract Offer.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Determine Achievement of the MARC (Cont'd)

(1) (Cont'd)

(a) Conversion of DS1 or DS3 Capacity Loops:

With respect to any DS1 or DS3 capacity loops, dedicated transport, or Expanded Extended Loops (EELs) previously provided by the Telephone Company as unbundled network elements (collectively, UNEs) and subsequently converted to Subject Services provided under this Contract Offer, solely for the purpose of performing MARC achievement calculations, the Telephone Company will multiply the Customer's billed revenue associated with such converted UNEs by 1.05, during the year of conversion only. To verify the circuits converted during each year, the Customer shall provide to the Telephone Company a detailed list of circuits that have been converted during that year, within thirty (30) calendar days after each contract anniversary.

Example:If the Customer converts $1,000,000 ($1M) in UNEs to Subject Services during the first year of this Contract Offer No. 112, then, in calculating the Customer's billed revenue for Qualifying Services, the Customer shall be deemed to have purchased $1,050,000 ($1.05M) in Subject Services for purposes of determining whether the Customer has met its MARC. In subsequent years, those converted UNE services would be counted as $1,000,000 ($1M) for purpose of the achievement MARC calculation.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) Failure to Achieve the MARC

(1) If the Customer fails to achieve the MARC as of the anniversary date, the Customer will be notified by the Telephone Company and will be required to remit an Annual True-up payment to reach the MARC commitment. The True-up calculation will be performed as follows:

Annual MARC – Actual Annual recurring revenues for Subject Services = Annual True-up Amount

(2) If the Customer fails to submit its Annual True-Up payment to the Telephone Company within thirty (30) calendar days after notification from the Telephone Company, the Customer shall be deemed to have terminated its Contract Offer No. 112, and termination charges will apply as set forth in Section 33.112.10.

33.112.6 Portability

The Telephone Company shall waive otherwise applicable termination liability charges for moves and/or disconnects of Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a monthly basis.

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer.

(B) DS1 Subject Services

For any DS1 Subject Services to be eligible for portability, the Subject Services must have been in service for at least one (1) year. Recognition will be given for time in-service for existing services.

(C) DS3 and [1] Subject Services (D)

For any DS3 or [1] Subject Services to be eligible for portability, the Subject Service must have been in service for at least two (2) years. Recognition will be given for time in-service for existing services. (D)

[1] See footnote (1) on page 33-999

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.7 Rates and Discounts

(A) DS1, DS3 & [1] Rates: (D)

The Customer shall pay the following Monthly Recurring Charge (MRC) for the services as described herein. The discounted DS1 rates are applicable only to those services that are converted from UNEs to Special Access, as described in 33.112.4(H).

DS1 Rate Elements	USOC	MRC
	TMECS	
Channel Termination -per Point of Termination	Zone 1	$80.00
	Zone 2	$88.00
	Zone 3	$96.00
	1L5XX	
Channel Mileage - Fixed	Zone 1	$28.00
	Zone 2	$30.00
	Zone 3	$32.00
	1L5XX	
Channel Mileage - Variable	Zone 1	$6.80
	Zone 2	$7.20
	Zone 3	$7.40

DS3 Rate Elements	USOC	MRC
	Z3MAC/Z3MAP	
Channel –Termination – Per Point of Termination	Zone 1	$970.00
	Zone 2	$990.00
	Zone 3	$1010.00
Channel Mileage - Fixed	**1L5XX**	
	Zone 1	$368.00
	Zone 2	$377.20
	Zone 3	$400.20
Channel Mileage - Variable	**1L5XX**	
	Zone 1	$16.10
	Zone 2	$18.40
	Zone 3	$20.70
Multiplexing	**MQ3**	
	Zone 1	$253.00
	Zone 2	$262.20
	Zone 3	$271.40

[1] See footnote (1) on page 33-999

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.7 Rates and Discounts (Cont'd)

(A) DS1, DS3 & [1] Rates: (Cont'd) (D)

[1] Rate Elements	USOC	MRC
[1]	TMECS	$1,196.00
[1]	1L5XX	$815.12
[1]	1L5XX	$202.40
[1]	MPEDX	$874.00
[1]	MXJBX	$138.00
[1]	MXJAX	$50.60

[1] Rate Elements	USOC	MRC
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

[1] Rate Elements	USOC	MRC
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

[1] See footnote (1) on page 33-999

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.7 Rates and Discounts (Cont'd)

(B) Non-Recurring Charges

(1) Conversion of Existing and UNE Services

The Telephone Company will waive installation Non-Recurring Charges (NRCs) associated with the conversion of UNEs or existing special access service to Subject Services to be purchased pursuant to this Contract Offer, excluding Service Access Order charges which will be paid by the Customer.

In addition, the Telephone Company will waive NRCs associated with the conversion of existing UNE circuits which are converted to Special Access Services under the terms of this contract tariff offer.

(2) New Subject Services

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract offer, excluding Service Access Order Charges which will be paid by the Customer.

(3) To receive credits for installation NRCs as defined in 33.112.7(B), the Customer must be in compliance with all Terms and Conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 33.112.5(A), and/or fails to pay the Annual True-Up as defined in Section 33.112.5(C), termination liability charges will apply as set forth in Section 33.112.10.

(4) In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

The Customer must pay all other applicable NRCs, including but not limited to rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in PBTC F.C.C. No. 1, Section 5.2.2, for Subject Services pursuant to this Contract Offer.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.8 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 112 pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of PBTC Tariff F.C.C. No. 1, Section 2.1.2, provided that the proposed assignee or transferee commits, in writing, within ninety (90) days of the proposed assignment and transfer, to fulfill the Customer's MARC obligation under this Contract Offer, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 112 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Subject Services of the other company involved in the merger or acquisition will not be used in Establishment and Calculation of the MARC as discussed in Section 33.112.5(A), or Calculations to Determine Achievement of the MARC as discussed in Section 33.112.5(B), except as permitted by one of the provisions in this subsection.

The Customer must meet MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 33.112.3 and 33.112.4 in order to exercise the provisions under this subsection.

Recurring revenue from Subject Services from the other entity involved in the merger or acquisition cannot be used for any incentives or discounts contained in this Contract Offer, except as permitted by one of the provisions outlined in this subsection.

The Customer shall have four (4) one-time choices (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise any of the provisions in this subsection by the times specified in relation to the Transaction Close Date, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Determine Achievement of the MARC discussed in Section 33.112.5(A) and 33.112 5(B), respectively.

The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

The Telephone Company will calculate Annual Total Special Access revenue of the other company involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection. The Annual Total Special Access revenue will be determined by calculating the prior three (3) months recurring revenue for Subject Services of the other company involved in the merger or acquisition, multiplied by four (4). Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn discounts discussed in Section 33.112.7(A) for revenue from the other company involved in the merger or acquisition until after it exceeds the Annual Total Special Access revenue. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for discounts discussed in Section 33.112.7(A) for the new combined MARC.

(A) Mergers and Acquisitions - Access Services Ratio Impacting

If, the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company, and inclusion of the recurring revenue from Wholesale Services, as described in 33.112. 4(I), from the other company or companies involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 33.112.4(I), the Customer must select from Option 1 or 2, herein, in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

The Customer must fully comply with the Access Services Ratio Terms and Conditions within eighteen (18) months of the Transaction Close Date, and must comply with the Access Conversion Schedule outlined in Table F, herein. As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Access Services Ratio in Section 33.112.4(J), the MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 33.112.4(J).

If at any time the Customer does not comply with the Access Conversion Schedule outlined in Table F, herein, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will have thirty (30) calendar days to comply with the Access Conversion Schedule. If the Customer does not comply within thirty (30) days, this Contract Offer will be considered in default, and the Telephone Company shall have the right to terminate this Contract Offer, and termination liability charges will apply as detailed in Section 33.112.10.

Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, then the MARC discounts will continue to apply, and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 33.112.4(J), and the contract will not be considered in default; however, each party shall take all reasonable steps to comply as soon as possible.

Table F, herein, outlines the Unbundled Network Element (UNE) to Access conversion schedule that will be used to migrate the services. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

Table F: Access Conversion Schedule

90 Day Period	Required Conversion Level
1st	10%
2nd	20%
3rd	50%
4th	75%
5th	85%
6th	100%

(1) Option 1

(a) The Customer may establish a temporary MARC by adding 85 percent, but not more than 100 percent (depending on the Customer's selection), of Special Access Services recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC, as outlined below, for a period not to exceed eighteen (18) months from the Transaction Close Date.

(b) The Customer must exercise this option within sixty (60) calendar days following the Transaction Close Date.

(c) This option is not available in the 5th year of the Contract Term Period.

(d) The temporary MARC will be calculated by taking the last three (3) months of applicable monthly recurring Special Access revenue from the other company involved in the merger or acquisition (from the date this option is selected) for Subject Services multiplied by four (4), multiplied by 85 percent to 100 percent (depending on the Customer's selection), and adding to that the Customer's existing MARC.

(e) A combined permanent MARC will be established no later than eighteen (18) months following the Transaction Close Date using the following calculation.

(N)

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

(A) Mergers and Acquisitions - Access Services Ratio Impacting (Cont'd)

(1) Option 1 (Cont'd)

(e) (Cont'd)

(i) The last three (3) months (at the time of the calculation) of monthly recurring Special Access revenue from the other company involved in the merger or acquisition for Subject Services, multiplied by four (4), and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85 percent of temporary MARC as defined in Section 33.112.9(A)(1)(d).

(2) Option 2

(a) The Customer must add at least 85 percent, but no more than 100 percent (depending on the Customer's selection), of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC, as outlined below, for a period not to exceed eighteen (18) months from the Transaction Close Date.

(b) The Customer must exercise this option within twelve (12) months following the Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The MARC will be set by taking the last three (3) months of applicable monthly recurring Special Access revenue from the other company involved in the merger or acquisition (on the date this option is selected) for Subject Services multiplied by four (4), and multiplied by 85 percent to 100 percent (depending on the Customer's selection), and adding to that the Customer's existing MARC.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

(A) Mergers and Acquisitions - Access Services Ratio Impacting (Cont'd)

(2) Option 2 (Cont'd)

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company, and inclusion of recurring revenue from Wholesale and Subject Services, as described in Section 33.112. 4(J), from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions, as defined in Section 33.112.4(J), the Customer must select from Option 3 or 4, herein, in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer.

(3) Option 3

(a) The Customer may establish a temporary MARC by adding 90 percent to 100 percent (depending on the Customer's selection), of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services used to calculate the MARC, to the extent outlined below, for a period not to exceed twelve (12) months from the Transaction Close Date.

(b) The Customer must exercise this option within sixty (60) calendar days following the acquisition Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

(A) Mergers and Acquisitions - Access Services Ratio Impacting (Cont'd)

(3) Option 3 (Cont'd)

(d) The temporary MARC will be established by taking the last three (3) months of applicable monthly recurring Special Access revenue from the other company involved in the merger or acquisition (from the date this option is selected) for Subject Services, multiplied by four (4), and multiplied by 90 percent to 100 percent (depending on the Customer's selection). This amount will be added to the Customer's existing MARC.

(e) A combined permanent MARC will be established no later than twelve (12) months following the Transaction Close Date using the following calculation:

(i) The last three (3) months (at the time of the calculation) of monthly recurring Special Access revenues from the other company involved in the merger or acquisition for Subject Services, multiplied by four (4), and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85 percent of the temporary MARC, as defined Section 33.112.9(A)(1)(d).

(4) Option 4

(a) The Customer must add at least 90 percent but no more than 100 percent (depending on the Customer's selection), of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC, to the extent outlined below, for a period not to exceed twelve (12) months from the Transaction Close Date.

(b) The Customer must exercise this option within twelve (12) months of the Transaction Close Date.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.9 Mergers and Acquisitions (Cont'd)

(A) Mergers and Acquisitions - Access Services Ratio Impacting (Cont'd)

(4) Option 4 (Cont'd)

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The MARC will be set by taking the last three (3) months of applicable monthly recurring Special Access revenue from the other company involved in the merger or acquisition (on the date this provision is selected) for Subject Services, multiplied by four (4), and multiplied by 90 percent to 100 percent (depending on the Customer's selection), and adding to that the Customer's existing MARC.

33.112.10 Termination Liability

(A) Contract Termination Liability Charge

If the Customer terminates this Contract Offer before the completion of the Term Period for any reason, the Customer must pay the Telephone Company termination liability charges as described below. If the Customer elects to terminate this Contract Offer, the Customer must provide written notification to the Telephone Company within ninety (90) calendar days of the planned contract termination date.

Termination liability charges will also apply if the Customer is not in compliance with any of the Terms and Conditions of this Contract Offer. These termination liability charges shall become due as of the effective date of the termination of the contract, and are payable according to the following schedule:

100 percent of all Discounts and Credits under this Contract Offer for the six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10 percent of the MARC for the remaining portion of Year 1, plus 10 percent of the MARC for the remaining years of the Term Period.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 - Special Access Service Offer (Cont'd)

33.112.10 Termination Liability (Cont'd)

(A) Contract Termination Liability Charge (Cont'd)

(2) If terminated in Year 2, 12.5 percent of the Year 2 MARC for the remaining portion of Year 2, plus 12.5 percent of the Year 2 MARC for the remaining years of the Term Period.

(3) If terminated in Year 3, 12.5 percent of the Year 3 MARC for the remaining portion of Year 3, plus 12.5 percent of the year 3 MARC for the remaining years of the Term Period.

(2) If terminated in year 4, 12.5 percent of the Year 4 MARC for the remaining portion of Year 4, plus 12.5 percent of the Year 4 MARC for the remaining years of the Term Period.

(3) If terminated in Year 5, 12.5 percent of the Year 5 MARC for the remaining portion of Year 5, plus 12.5 percent of the Year 5 MARC for the remaining years of the Term Period.

(4) If terminated in Year 6, 12.5 percent of the Year 6 MARC for the remaining portion of the Year 6, plus 12.5 percent of the Year 6 MARC for the remaining years of the Term Period.

(5) If terminated in Year 7, 12.5 percent of Year 7 MARC for the remaining portion of Year 7.

Example:

The Customer requests termination of the Contract Offer after sixty-eight (68) months, with sixteen (16) months remaining in the Contract Term Period. The Customer's MARC for the 5th year of the Contract Term Period is $12 million. The Customer received $500,000 in combined credits and discounts in the six (6) months preceding contract termination. The termination liability charge would be $5.5 million, as calculated below:

(i) $500,000 credit and discounts from preceding six (6) months; plus
(ii) $12 million Year 5 MARC X 12.5% (4/12 - four months remaining in the year) = $500,000; plus
(iii) $12 million Year 5 MARC X 12.5% = $1,500,000;

(($12 Million Year 5 MARC) X 12.5%) X (2 remaining years of Contract Term Period)) = $3,000,000. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.10 Termination Liability (Cont'd)

(A) Service Termination Liability Charge

If the Customer disconnects a service provided under this Contract Offer before the completion of its service term, prior to the expiration of the Term Period, and the Terms and Conditions, as provided under Section 33.112.6 for portability, have not been met, or are not applicable, termination liability charges will apply, and are payable according to the Terms and Conditions as set forth in Section 7.2.9 for DS1 and DS3 services and Section 32.2(I) for [1] services. (D)

(B) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

[1] See footnote (1) on page 33-999

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.112 Contract Offer No. 112 – Special Access Service Offer (Cont'd)

33.112.10 Termination Liability (Cont'd)

(D) New Technology Termination

If the Customer wishes to move its services to new alternative technology (such as Broadband over power lines, Wi-MAX, DWDM, or optical switching technologies), the Customer shall qualify to reduce the MARC termination liability charges as detailed above by 50 percent in Years 3, 4, 5, 6 and/or 7 of this Contract Offer, as long as the conditions in this subsection are met. The Customer shall have the right to move its services to new alternative technology and receive reduced termination liability, as long as Eligibility Criteria in Section 33.112.3 and all Terms and Conditions in Section 33.112.4 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services, and that the rates, terms and conditions for the new technology are more favorable to the Customer than the rates, Terms and Conditions provided under this Contract Offering.

For example, if the Customer wishes to terminate this Contract Offer due to a new technology in Year 4 of the Contract Offer, the termination liability charge would be equal to 100 percent of discounts applied during the previous six (6) months as well as 6.25 percent of the Year 4 MARC for the remaining portion of Year 4, plus 6.25 percent of the Year 4 MARC for Years 5 - 7.

The Customer must notify the Telephone Company in writing, at least ninety (90) days prior to the start of Year 3, if the Customer wishes to terminate in Year 3, and invoke this provision, or at least ninety (90) days prior to the start of Year 7, if the Customer wishes to terminate in Year 7, and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer.

This Section 33.112.10 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 112, except for charges due and payable for Subject Services rendered prior to the date of termination, and any NRCs and/or termination liability charges that may become due and payable in accordance with Sections 33.112.10 (B). (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering

33.113 Contract Offer No. 113– DS1 Special Access Service Offer

33.113.1 General Description

This DS1 Special Access Service Offer – Contract Offer No. 113 is an access discount pricing plan for DS1 special access services. Contract Offer No. 113 permits Customers to receive discounts for Subject Services as described in Section 33.113.2 in the Metropolitan Statistical Areas (hereafter referred to as MSAs) listed in Section 33.113.3. The Customer must meet the Eligibility Criteria set forth in Section 33.113.3, and also must comply with the Terms and Conditions as described in Section 33.113.4.

Contract Offer No. 113 is available for subscription January 9, 2007 through February 9, 2007. This offer is not renewable.

33.113.2 Subject Services Available Under Contract Offer No. 113

(A) Contract Offer No. 113 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) DS1 Special Access Services – Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9.

(B) Each Subject Service shall be provided according to the rates, terms and conditions of the otherwise applicable tariff, except as expressly provided by this Contract Offer. If any provisions of this Contract Offer conflict with the otherwise applicable tariff, the rates, Terms and Conditions of this Contract Offer shall prevail. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to Contract Offer No. 113:

(A) Contract Offer No. 113 is available only for services located in the following Metropolitan Statistical Areas (MSAs):

(1) Discounts and portability provided in Sections 33.113.6 and 33.113.9 of this Contract Offer shall apply to all Channel Terminations and Interoffice (Channel) Mileage – Fixed and Per Mile associated with Subject Services, including Channel Terminations between the Telephone Company's end office and an end user premises (End User Channel Terminations), in the following MSAs:

San Jose, CA; Fresno, CA; Los Angeles/Long Beach, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(2) Discounts and portability provided in Sections 33.113.6 and 33.113.9 of this Contract Offer shall apply to Channel Terminations and Interoffice (Channel) Mileage - Fixed and Per Mile associated with Subject Services, except for End User Channel Terminations, in the following MSAs:

Non-MSA, CA; Modesto, CA; and Bakersfield, CA.

(3) The Customer must currently subscribe to the Managed Value Plan (MVP) as in PBTC Tariff F.C.C. No. 1, Section 22.

(B) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any eligible Subject Services provided to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.4 Terms and Conditions

(A) Subscription

To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company, during the contract availability period.

At the time of subscription, the Customer must provide all of the Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer. Additional ACNAs may not be included by the Customer after subscription to this Contract Offer, except pursuant to Section 33.113.10.

(B) Term Period

The term of this Contract Offer (Term Period) shall be eighty-four (84) months, commencing on the date the Telephone Company receives the LOS from the Customer. This date shall be deemed to be the contract anniversary date in subsequent years of this offering.

Discounts, described in Section 33.113.6, will only be provided during the Term Period.

Upon expiration of the Term Period, Subject Services will be provided according to the rates, terms and conditions of the otherwise applicable term payment plan.

(C) Service Term

New Subject Services must be purchased subject to either five (5) year or seven (7) year term payment plans. Existing Subject Services to be provided under this Contract Offer must be converted to either five (5) year or seven (7) year term payment plans. The Customer shall designate the applicable term payment plan at the time of purchase or conversion of each Subject Service. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.4 Terms and Conditions (Cont'd)

(A) Rate Stability

Rate stability applies only to the rates specific to Contract Offer No. 113, as listed in Section 33.113.6. Subject Services are also subject to certain rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1, including Sections 2-General Regulations, 5-Ordering Options, 7-Special Access Service, 13-Additional Engineering, Additional Labor and Miscellaneous Services, and 22-Managed Value Plan (MVP). Such Terms and Conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Termination

If the Customer terminates this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 33.113.12.

If the Telephone Company determines that the Customer has failed to comply with any of the Terms and Conditions of this Contract Offer, the Telephone Company will notify the Customer in writing. The Customer will have thirty (30) calendar days to return to compliance. Failure to comply within thirty (30) calendar days will constitute a default by the Customer, and the Telephone Company shall have the right to terminate this Contract Offer. In the event of such termination by the Telephone Company, termination liability charges will apply as set forth in Section 33.113.12.

(C) The Customer must pay billed charges in full during the Term Period. If the Customer fails to remain current on payment of all billed charges, the Customer will have thirty (30) business days from receipt of the written notice from the Telephone Company to comply. If the Customer does not comply, the Telephone Company shall have the right to terminate the Customer's subscription to this Contract Offer. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 33.113.12, will apply. Credits will not be issued until the Customer has paid all billed charges. (N)

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.4 Terms and Conditions (Cont'd)

(G) If the Customer requests additional service features and functions not included in 33.113.6, the Customer must pay the applicable tariff rates for those features and functions.

(H) The Subject Services are eligible to be included in the Customer's subscription to PBTC Tariff F.C.C. No. 1, Section 22 (MVP).

(I) The Customer must be current on all undisputed billing for existing Subject Services within thirty (30) calendar days of subscribing to this Contract Offer, and must remain current on all undisputed billing for Subject Services throughout the Term Period. The Customer shall remit any billing disputes for Subject Services provided under this Contract Offer via the Telephone Company's electronic process.

(J) Commingling (as defined in PBTC F.C.C. No. 1, Section 2.6) of Subject Services, provided pursuant to this Contract Offer, is prohibited.

(K) If the Customer terminates any Subject Service during the Term Period, termination liability charges shall apply in accordance with Section 33.113.12, except to the extent that termination liability charges do not apply pursuant to the portability provisions of this Contract Offer, as provided in Section 33.113.9.

(L) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 80 and 111 for existing Subject Services to be provided under this Contract Offer, to the extent such termination liability would result from the Customer's migration of Subject Services from those contract offers to this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff sections. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.5 In-Service Requirements

(A) The Customer must meet an in-service requirement for DS1 Subject Services provided under this Contract Offer. The Customer must have purchased and/or converted a minimum of 5,000 DS1 services pursuant to the rates, Terms and Conditions of this Contract Offer no later than sixty (60) months after the commencement of the Term Period.

(B) Existing services that are converted to count toward the in-service requirement must have a Percent of Interstate Usage (PIU) greater than ten (10). The Customer must submit Access Service Requests (ASRs) to the Telephone Company for existing services to be converted within eighteen (18) months of subscribing to this Contract Offer.

(C) The Customer may convert up to 820 existing DS1 services currently under monthly extension rates to the rates, Terms and Conditions of this Contract Offer. Any such services converted will count towards the in-service requirement as specified herein.

(D) The Customer may convert any existing DS1 Unbundled Network Elements (UNEs) to special access subject services under the rates and Terms and Conditions pursuant to this Contract Offer. Any UNE services converted will count towards the in-service requirement as specified herein. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.6 Rates and Charges

(A) Monthly Recurring Charges and Credits

The Customer shall pay the following Monthly Recurring Charges (MRCs) for the services as described herein according to the term payment plan chosen for each service. Rates in Table A below, also apply to existing DS1s converted to this Contract Offer.

Table A

DS1 Special Access Services Rate Element	USOC	5 Yr MRC	7 YR MRC
Channel Termination – Per Point of Termination - Zone 1	TMECS	$90.00	$87.75
Channel Termination – Per Point of Termination - Zone 2	TMECS	$104.50	$102.13
Channel Termination – Per Point of Termination - Zone 3	TMECS	$117.60	$115.15
Channel Mileage – Fixed – Zone 1	1L5XX	$31.50	$29.25
Channel Mileage – Fixed - Zone 2	1L5XX	$35.63	$33.25
Channel Mileage – Fixed – Zone 3	1L5XX	$39.20	$36.75
Channel Mileage – Per Mile – Zone 1	1L5XX	$7.65	$7.43
Channel Mileage – Per Mile – Zone 2	1L5XX	$8.55	$8.32
Channel Mileage – Per Mile – Zone 3	1L5XX	$9.07	$8.82

(B) Non-Recurring Charges

The Telephone Company shall waive the following Non-Recurring Charges (NRCs), as described in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7, for the purchase of new DS1 Subject Services and the conversion of any UNEs to special access services pursuant to this Contract Offer:

Table B

Non-Recurring Charges	USOCs
Administrative Charge, per order	NRBAO
Channel Termination Non-Recurring Charge	TMECS

(C) The Customer must pay all other applicable NRCs, including rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC F.C.C. No. 1, Section 5.2.2, for Subject Services pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.7 Network Optimization Credit

The Customer shall receive a Network Optimization Credit of $25 for each new DS1 Subject Service purchased under this Contract Offer during the first thirty-six (36) months of the Term Period.

The Network Optimization Credit shall be collected in a fund for the Customer, maintained by the Telephone Company, for the purposes of reducing the Channel Facility Assignment/Point of Presence (CFA/POP) network charges billed by the Telephone Company for network facility moves, as described in PBTC Tariff F.C.C No. 1, Section 7.5.9, listed in Table C, below. Network charges associated with the conversion of existing Subject Services under this Contract Offer, as described in 33.113.5, are not eligible for Network Optimization Credits.

Table C

Optional Features and Functions	USOCs
Rollover - Per point of Termination (All Zones)	NRBR1/NRBRH
Rollover when Point of Termination Changes – Per Point of Termination (All Zones)	NRBR0

The Network Optimization Credit fund maintained by the Telephone Company shall not exceed $125,000.

On each anniversary of the commencement of the Term Period, the Customer shall submit a list to the Telephone Company of applicable CFA/POP charges billed by the Telephone Company per the USOCs, as listed in Table C, above, in order to receive the credits as described herein. Upon verification of the billed network charges submitted by the Customer, the Telephone Company shall apply a credit to the Customer's bill within ninety (90) days after the submission of the list by the Customer.

Network Optimization Credits collected during the first thirty-six (36) months of this Contract Offer shall be applied to the Customer's bill during the Term Period until the fund maintained by the Telephone Company is depleted, or the Term Period has ended, whichever comes first. Any credits not used for the CFA/POP network charges, as described above, upon expiration of this Contract Offer shall not be available for credit to the Customer.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.8 Additional Credit

The Customer shall receive an additional credit of 2 percent of the revenue generated from Subject Services on the following rate elements: Channel Terminations, Channel Mileage Fixed and Channel Mileage Variable, listed in Table A of Section 33.113.6, for new DS1s purchased in the first twelve (12) months of the Term Period, provided that the Customer purchase at least 2,500 DS1 Subject Services during that same time period. The credit will be computed on the first anniversary date of the Term Period and will be credited to the Customer's bill within ninety (90) calendar days of that anniversary date, if the Customer has met the requirements as described herein.

33.113.9 Portability

The Telephone Company shall waive otherwise applicable termination liability charges for moves and/or disconnections of Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis.

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer.

(A) Existing Subject Services converted to this Contract Offer must have been in service for a minimum of thirty (30) calendar days from the commencement of the Term Period.

(B) New Subject Services purchased by the Customer after the commencement of the Term Period must complete a minimum in-service period of thirty (30) calendar days from their initial installation date. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.10 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.113.11 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 113 pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than 50 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.12 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Sections 7 and 31. If the Customer terminates Contract Offer No. 113 before the completion of the Term Period for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination. The Customer must provide written notification ninety (90) calendar days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the Terms and Conditions of this Contract Offer, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer shall have thirty (30) calendar days to comply. If the Customer does not comply within such time period, the Customer shall be deemed to have terminated its participation in Contract Offer No. 113, and termination liability charges will apply as stated below, and will be payable pursuant to PBTC F.C.C. No. 1, Sections 7 and 31.

The Customer's termination liability charge shall be equal to the following:

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of waived NRCs received under Contract Offer No. 113 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(A) If terminated in Year 1, 10 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 1, plus 10 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(B) If terminated in Year 2, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 2, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.12 Termination Liability (Cont'd)

(C) If terminated in Year 3, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 3, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(D) If terminated in Year 4, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 4, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(E) If terminated in Year 5, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 5, plus 12.5 percent of the monthly recurring revenue for the remaining years of the Term Period, calculated on an annual basis.

(F) If terminated in Year 6, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination, pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 6, plus 12.5 percent of the monthly recurring revenue for the remaining months of the Term Period, calculated on an annual basis. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.113 Contract Offer No. 113– DS1 Special Access Service Offer (Cont'd)

33.113.12 Termination Liability (Cont'd)

(E) If terminated in Year 7, 12.5 percent of the monthly recurring revenue generated from Subject Services at the time of termination pursuant to the rates provided under this Contract Offer, for the remaining portion of Year 7.

Example 1: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer nine (9) months after the commencement of the Term Period, the Customer would be charged 100 percent of the NRCs that were waived for the prior six (6) months, plus 10 percent of the monthly recurring revenue from Subject Services at the time of termination for the remaining portion of Year 1, plus 10 percent of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 2 – 7, for a total termination charge of $616,083.

This is computed as:

$14,000 + (($83,333.33 x .10) x .25) + ((($83,333.33 x .10) x 12) x 6) = $616,083

Example 2: Customer has $83,333.33 in monthly recurring revenue from Subject Services. The Telephone Company waived $14,000 in NRCs for Subject Services provided under this Contract Offer in the previous six (6) months before termination. If the Customer terminates this Contract Offer two (2) years and nine (9) months after the commencement of the Term Period, the Customer would be charged 100 percent of the NRC's that were waived for the previous six (6) months, plus 12.5 percent of the monthly recurring revenue from Subject Services at the time of termination for the last three (3) months of that contract year, plus 12.5 percent of the monthly recurring revenue for existing Subject Services computed on an annual basis for Years 4 - 7, for a total of $516,604.

This is computed as:

$14,000 + (($83,333.33 x .125) x .25) + ((($83,333.33 x .125) x 12) x 4) = $516,604 (N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 114 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1036

33. [1] (D)

[1] See footnote (1) on page 33-1036

33. [1] (D)

[1] See footnote (1) on page 33-1036

33. [1] (D)

[1] See footnote (1) on page 33-1036

33. [1] (D)

[1] See footnote (1) on page 33-1036

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 115 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1042

33. [1] (D)

[1] See footnote (1) on page 33-1042

33. [1] (D)

[1] See footnote (1) on page 33-1042

33. [1] (D)

[1] See footnote (1) on page 33-1042

33. [1] (D)

[1] See footnote (1) on page 33-1042

ACCESS SERVICE

33. [1] (D)

[1] See footnote (1) on page 33-1042

(This page filed under Transmittal No. 385)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.116 Contract Offer No. 116 – [1] Service Offer (D)

33.116.1 General Description

[1] Service Offer (Contract Offer No. 116) is an access services discount pricing plan that permits Customers who meet the Eligibility Criteria in Section 33.116.3 and the Terms and Conditions in Section 33.116.4 to purchase Subject Services listed in Section 33.116.2 at the discounted rates provided in Section 33.116.5, and DS3 portability incentives provided in Section 33.116.6. Subject Services provided under Contract Offer No. 116 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) listed in Section 33.116.3(B). (D)

Contract Offer No. 116 is available for subscription from February 9, 2007 through March 11, 2007. This Contract Offer is not renewable.

33.116.2 Subject Services

(A) Contract Offer No. 116 applies to the following pricing flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) [1]. (D)

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted, herein.

33.116.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 116 discounted rates:

(A) Subject Services must be pricing flexibility-qualified access services listed in Section 33.116.2(A);

(B) Subject Services must be located in the following Pricing Flexibility MSA: Los Angeles/Long Beach, CA.; and

(C) All traffic must originate or terminate at a Mobile Switching Center (MSC).

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 116 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be sixty-three (63) months, commencing on the date the Letter of Subscription (LOS) is signed by the Customer and received by the Telephone Company. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment plan options described in PBTC Tariff F.C.C. No. 1, Sections [1] and 31 for [1]. If, at the expiration of the Customer's Contract Term Period, the Customer does not choose to disconnect or to select one of those payment plan options, the Telephone Company shall convert the Subject Services to the prevailing monthly extension rates in Section 31. (D)

(B) Rate Stability

Rate stability under Contract Offer No. 116 shall apply only to the rates specific to this Contract Offer, as provided in the Rate Tables in Section 33.116.5. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer. Subject Services are also subject to general terms and conditions of PBTC Tariff F.C.C. No. 1, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(C) In order to subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company.

(D) If, prior to Customer's acceptance of the [1] Subject Service, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the documented actual costs incurred by the Telephone Company directly related to the cancelled LOS and service, up to the date of cancellation. (D)

[1] See footnote (1) on page 33-1049

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.4 Terms and Conditions (Cont'd)

(E) If the Customer terminates the [1] Subject Service provided under this Contract Offer and/or terminates this Contract Offer in its entirety during the Term Period, termination liability charges will apply in accordance with Section 33.116.9. (D)

(F) Any additional service, features or functions that are not listed in Section 33.116.5(B) of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to Section 31 - Metropolitan Statistical Area Access Services.

(G) New Purchase Requirements

Within sixty (60) days of contract subscription, the Customer must submit Access Service Requests (ASRs) to purchase one (1)new eight (8) node [1] located in the Los Angeles/Long Beach, CA MSA pursuant to this Contract Offer. (D)

(H) Pursuant to this Contract Offer, the Customer shall not exceed the purchase requirements as outlined in Section 33.116.4 (G), herein. Notwithstanding the foregoing, the Customer may, during the Term Period, purchase additional [1] and [1] to be added to the Subject Service at the discounted rates as outlined in Section 33.116.5(B). (D)

(I) Subject Services under this Contract Offer will not be eligible for additional discounts under the Managed Value Plan (MVP) offering in Section 22. This Contract Offer cannot be combined with any other promotion, contract, or discount offer.

[1] See footnote (1) on page 33-1049

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.5 Rates and Charges

(A) New [1] Rates and Charges (D)

The Customer shall pay the following Monthly Recurring Charge (MRC) for the new [1] purchased under this Contract Offer, with the capacity limits pursuant to Table A, below: (D)

Table A

Monthly Recurring Charge (MRC)	$110,000.00	
Rate Elements	**USOC**	**Quantity**
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

(D)

Prevailing tariff Non-Recurring Charges (NRCs), as described in Sections [1] and 31 for [1], shall apply. (D)

(B) Additional Capacity [1] Rates and Charges (D)

The Customer may purchase additional [1] elements at the discounted MRCs listed in Table B, below: (D)

Table B

Rate Elements	USOC	MRC
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		
[1]		

(D)

(D)

If a [1] is added to the [1] prior to the last twelve (12) months of the Term Period, the new [1] will be co-terminus with the initial Term Period. However, if a [1] is added during the last twelve (12) months or less of the Term Period, the customer will be billed the [1] MRC for a minimum period of twelve (12) months. (D) (D) (D) (D)

[1] See footnote (1) on page 33-1049

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.6 DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3s. If the Customer fails to meet the Eligibility Criteria and/or does not meet the requirements during the Quarterly Review, as described below, termination liability charges will apply. Termination liability charges will be assessed as outlined in PBTC Tariff F.C.C. No. 1, Section 7 or Section 31, as applicable.

(A) Eligibility Criteria for DS3 Portability Incentive

The Customer must meet the following criteria to receive the Portability Incentive:

(1) The Customer must be in compliance with this Contract Offer for the purchase of the OC-192 DSRS Subject Service, as described in Section 33.116.4(G);

(2) The Customer's DS3s must meet the Minimum Period requirements, as established under PBTC Tariff F.C.C. No. 1, Section 2.4.2, at the previous location;

(3) The Term Period of each new circuit must be equal to, or greater than, the remaining term of the disconnected circuit;

(4) The DS3 Portability Incentive waiver will not waive termination liability of DS3s purchased under Contract Offer No. 88; and

(5) The disconnect and new service must be within the Operating Territory of the Telephone Company, as described in PBTC F.C.C. No.1, Section 14.

[1] See footnote (1) on page 33-1049

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.6 DS3 Portability Incentive (Cont'd)

(B) Quarterly Review of Add and Disconnect Access Service Orders

Upon the commencement of the Term Period, the Telephone Company will perform quarterly reviews of the quantity of DS3 "adds" and "disconnects" within the Telephone Company Operating Territory, as follows:

(1) If the Customer's cumulative "add" access service orders exceed cumulative "disconnect" access
service orders at the end of the 1st and/or 3rd quarters of the Term Year, the cumulative "adds" and the cumulative "disconnects" will carry over from the 1st quarter to the 2nd quarter and/or from the 3rd quarter to the 4th quarter during the Term Year; or

(2) If the Customer's cumulative "disconnect" access service orders exceed cumulative "add" access service orders during the Term Year, as measured on a quarterly basis, the Customer will be assessed termination liability charges on the number of circuits by which cumulative "disconnect" access service orders, where termination liability charges are applicable, exceed cumulative "add" access service orders.

(3)During the Term Year, if the Customer is assessed termination liability charges as a result of cumulative "disconnect" access service orders exceeding cumulative "add" access service orders in any quarter, as described in 33.116.6(B)(2) above, no cumulative "disconnect" access service orders or cumulative "add" access service orders will carry over to the next quarter within that Term Year.

[1] See footnote (1) on page 33-1049

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.6 DS3 Portability Incentive (Cont'd)

(B) Quarterly Review of Add and Disconnect Access Service Orders (Cont'd)

Examples:
During a given Term Year:
If at the end of the 1st Quarter:
DS3 "adds" = 10
DS3 "disconnects" = 3
Quarter Termination Liability = 0 DS3s
(DS3 "adds" are greater than DS3 "disconnects")
If at the end of the 2nd Quarter:
Cumulative DS3 "adds" = 11 (1st Qtr 10 plus 2nd Qtr 1)
Cumulative DS3 "disconnects"= 12 (1st Qtr 3 plus 2nd Qtr 9)
Quarter Termination Liability = 1 DS3
(Cumulative DS3 "disconnects" are greater than Cumulative DS3 "adds")

Termination Liability assessed based on the last disconnect order provisioned during the 2nd Quarter.
The 1st and 2nd Quarter cumulative DS3 "adds" and cumulative DS3 "disconnects" will not accumulate into the 3rd Quarter.

If at the end of the 3rd Quarter:
DS3 "adds" = 2
DS3 "disconnects" = 1
Quarter Termination Liability = 0 DS3s
(DS3 "adds" are greater than DS3 "disconnects")
If at the end of the 4th Quarter:
Cumulative DS3 "adds" = 5 (3rd Qtr 2 plus 4th Qtr 3)
Cumulative DS3 "disconnects" = 3 (3rd Qtr 1 plus 4th Qtr 2)
Quarter Termination Liability = 0 DS3s
(Cumulative DS3 "adds" are greater than Cumulative DS3 "disconnects")

The 3rd and 4th Quarter cumulative DS3 "adds" and cumulative DS3 "disconnects" will not accumulate into the 1st Quarter of the next Term Year.

[1] See footnote (1) on page 33-1049

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it)

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

3.116.8 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

[1] See footnote (1) on page 33-1049

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.9 Termination Liability

Termination liability shall apply as provided herein, in lieu of termination liability as provided in PBTC Tariff F.C.C. No. 1, Section 30. Termination charges shall become due as of the effective date of the termination and are payable within thirty (30) days after the billing invoice date.

(A) The Customer's subscription to a Subject Service pursuant to this Contract Offer No. 116 shall terminate if the Customer elects to terminate the Subject Service, or if the Customer materially breaches the Terms and Conditions governing the Subject Service, except as expressly provided to the contrary herein. If any Subject Service is so terminated, the Customer shall be liable for a termination charge, which shall be equal to fifty (50) percent of the MRC for the terminated Subject Services for the balance of the Term Period.

The termination charge shall be calculated as (MRC) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of fifty (50) percent).

Example: The MRC of the terminated Subject Service equals $110,000 and the Subject Service is terminated after thirty-nine (39) months, with twenty-four (24) months remaining in the Term Period. The termination charge would be:

($110,000 X 24) X 50% = $1,320,000 Termination Charge

[1] See footnote (1) on page 33-1049

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.116 Contract Offer No. 116 – [1] Service Offer (Cont'd) (D)

33.116.9 Termination Liability (Cont'd)

(B) The Customer's subscription to this Contract Offer No. 116 shall terminate if the Customer elects to terminate this Contract Offer No. 116, or if the Customer materially breaches this Contract Offer, except as expressly provided to the contrary herein. If the Contract Offer is so terminated, the Customer shall be liable for a termination charge which shall be equal to 50 percent of the MRC of all Subject Services for the balance of the Term Period.

The termination charge shall be calculated as (MRC) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of 50 percent).

Example: The MRC for all Subject Services equals $200,000 and this Contract Offer is terminated after thirty-six (36) months, with twenty-four (24) months remaining in the Term Period. The termination charge would be:

($200,000 X 24) X 50% = $2,400,000 Termination Charge

(C) Upon termination of this Contract Offer, all Subject Services then remaining in service will be converted to the prevailing month-to-month extension tariff rates applicable to the Subject Services. Prevailing tariff rates are highlighted in PBTC Tariff F.C.C. No. 1, Section 31.

[1] See footnote (1) on page 33-1049

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.117 Contract Offer No. 117 – DS3 Special Access Offer

33.117.1 General Description

Contract Offer No. 117 – DS3 Special Access Offer is an access discount pricing plan that provides the Customer with discounted rates for new access service. Qualified service under Contract Offer No. 117 is available only in the Pricing Flexibility eligible Metropolitan Statistical Area (hereafter referred to as MSA), listed in Section 33.117.2 (A). Contract Offer No. 117 is available for subscription February 9, 2007 through March 11, 2007. This Contract Offer is not renewable.

33.117.2 Eligibility Criteria

The following eligibility criteria must be met for pricing flexibility-qualified service (hereafter referred to as Subject Service) to be provided under this Contract Offer:

(A) The Subject Service must be located in the following Pricing Flexibility MSAs: San Diego, CA and Non-MSA, CA;

(B) Subject Service must be DS3 Service as listed in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7.5.9 and Section 31.5.2.7; and

(C) The Customer must provide documentation that an equivalent Subject Service is currently provided, or can be provided, by another carrier other than the Telephone Company. Documentation may include, but is not limited to, circuit detail records, invoices or service proposals.

33.117.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer.

Upon the expiration of the Term Period, the Subject Service provided under this Contract Offer will be subsequently provided under the prevailing applicable monthly extension rates found in PBTC Tariff F.C.C. No. 1.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.117 Contract Offer No. 117 – DS3 Special Access Offer (Cont'd)

33.117.3 Terms and Conditions (Cont'd)

(A) Contract Subscription

(1) Contract Offer No. 117 is available for subscription February 9, 2007 through March 11, 2007.

(2) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company.

(B) General

(1) The Customer must purchase one (1) new DS3 service, configured as described below, within thirty (30) days of subscription to this Contract Offer:

(a) 'A' location must be cross connected to a Customer designated collocation facility; and

(b) 'Z' location must be a Local Distribution Channel.

(2) This Contract Offer will only apply to the purchase of one (1) new DS3 Service configured as described above.

(3) If the Customer should discontinue service under this Contract Offer during the Term Period, a termination charge will apply in accordance with Section 33.117.7 for the discontinued services.

(4) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6, of Subject Service under this Contract Offer, is prohibited.

(5) The Customer may not include Subject Service provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(6) All Terms and Conditions for the Subject Service provided under this Contract Offer are governed by PBTC Tariff F.C.C. No. 1, except as noted herein.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.117 Contract Offer No. 117 – DS3 Special Access Offer (Cont'd)

33.117.4 Rates and Charges

The Customer must pay the following discounted Monthly Recurring Charge (MRC) as provided under this Contract Offer in the amount of $2,800.00 billed to USOC P5FAS. Applicable rate elements are defined in Table A, below. Mileage is limited to 100 miles.

Rate Elements	Applicable USOC	MRC
Channel Termination	Z3MAC	$834.37
Variable Mileage (in total)	1L5XX	$1,595.65
Fixed Mileage	1L5XX	$308.00
Cross Connect	CCDS3	$61.98

Any rate elements not described herein will be subject to the applicable rates and charges outlined in PBTC Tariff F.C.C. No. 1, Sections 7 and 31.

33.117.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of service under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.117 Contract Offer No. 117 – DS3 Special Access Offer (Cont'd)

33.117.6 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Service from the Telephone Company, the Subject Service, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.117.7 Termination Liability

The termination liability language, as described below, applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7.4.11(B). If the Customer requests termination of this Contract Offer, or requests termination of individual Subject Service provided under this Contract Offer, or is not in compliance with the Terms and Conditions of this Contract Offer, the Customer will be liable for a termination charge. This charge shall become due as of the effective date of the termination, and is payable within thirty (30) days of the billing invoice date.

The termination charge shall be equal to fifty (50) percent of the Monthly Recurring Charges (MRC) for the balance of the Term Period, and will be calculated as follows:

(MRC) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of fifty (50) percent) = Termination Charge

Example: Customer has $2,800.00 in MRC. If the service is terminated after thirty (30) months and has six (6) months remaining in a thirty-six (36) month Term Period, the termination charge would be calculated as:

(N)

($2,800 X 6 months) X 50% = $8,400 Termination Charge

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33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 118 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1063

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33. [1] (D)

[1] See footnote (1) on page 33-1063

33. [1] (D)

[1] See footnote (1) on page 33-1063

33. [1] (D)

[1] See footnote (1) on page 33-1063

33. [1] (D)

[1] See footnote (1) on page 33-1063

33. [1] (D)

[1] See footnote (1) on page 33-1063

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.119 Contract Offer No. 119 – DS3 High Capacity Service Offer

33.119.1 General Description

DS3 High Capacity Service Offer (Contract Offer No. 119) is an access discount offer that permits Customers located in the Metropolitan Statistical Area listed in Section 33.119.2(A)(1) to purchase up to three (3) new DS3 Subject Services and convert one (1) existing DS3 Subject Service at the rates listed in Section 33.119.4.

Contract Offer No. 119 is available only from March 3, 2007 through April 3, 2007.

33.119.2 Eligibility Criteria

The following eligibility criteria must be met in order to purchase the DS3 High Capacity Service Offer:

(A) This Contract Offer is only available for circuits located in the following pricing flexibility Metropolitan Statistical Area:

Oxnard-Simi Valley-Ventura, CA

(B) The Customer must have previously subscribed to a contract offer in Section 33 of Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1.

(C) This DS3 High Capacity Service Offer applies only to DS3 High Capacity service contained in the following tariff section (Subject Services):

PBTC Tariff F.C.C. No 1

Rate Regulation	Phase I Rates and Charges	Phase II Rates and Charges
7.2.9	7.5.9	31.5.2.7

All terms and conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

(D) The Customer must provide documentation to substantiate that a carrier other than PBTC or an AT&T affiliate has proposed or otherwise is willing to offer an equivalent capacity service at similar rates, terms and conditions. Such documentation may include (but is not limited to) bids for service, invoices, circuit detail records, service orders, and/or move or rearrangement orders.

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.119 Contract Offer No. 119 - DS3 High Capacity Service Offer (Cont'd)

33.119.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be one (1) year commencing when the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer.

If, at the expiration of the Term Period the Customer elects to continue service, the Customer shall select from payment options in Section 7.5.9 or Section 31.5.2.7, depending on the service type and MSA relief level available. If the Customer does not elect a payment option, the Telephone Company shall convert the Customer to the prevailing monthly extension rates in Section 7.5.9 or Section 31.5.2.7, depending on the service type and MSA relief level.

(B) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS).

(C) Upon subscription, the Customer must submit its access service order to purchase at least one (1) but no more than three (3) new Subject Services pursuant to this Contract Offer.

(D) At its option, the Customer may convert one (1) existing DS3 High Capacity Service to the discounted rates detailed in Section 33.119.4. In order to exercise this option, the Customer must submit its access service order to convert the existing DS3 High Capacity Service to the Telephone Company within thirty (30) days of subscription to this Contract Offer.

(E) If the Customer requests additional service features and functions not included in 33.119.4, the Customer will pay the tariff rates for those additions as contained in PBTC Tariff F.C.C. No.1.

(F) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.119 Contract Offer No. 119 – DS3 High Capacity Service Offer (Cont'd)

33.119.3 Terms and Conditions (Cont'd)

(G) During the Term Period, the discounted rates described in Section 33.119.4 apply to no more than three (3) new or one (1) existing converted DS3 High Capacity Services provided under this Contract Offer.

(H) The Customer cannot combine this Contract Offer with any other promotional, contract, or discount offer.

(I) Subject Services listed above under this Contract Offer are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.119 Contract Offer No. 119 – DS3 High Capacity Service Offer (Cont'd)

33.119.4 Rates and Charges

(A) Customer shall pay the following Monthly Recurring Charges (MRC) for each DS3 High Capacity Service provided under this Contract Offer as described in Table A or B, below:

(1) DS3 High Capacity Service – Table A

MRC – $1,838.02 – 1-yr term

The following rate elements are included:

Description	USOC	Quantity
Channel Termination	Z3MAC/Z3MAP	1
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-45

(2) DS3 High Capacity Service – Table B

MRC – $1,938.02 – 1-yr term

The following rate elements are included:

Description	USOC	Quantity
DS3 to DS1 Multiplexer	MQ3/MQ4	1
Channel Mileage (fixed)	1L5XX	1
Channel Mileage (per mile)	1L5XX	0-90

(B) The Customer shall pay a Non-Recurring Charge (NRC) of $250 for the purchase and/or conversion of each individual Subject Service provided under this Contract Offer. The Customer shall pay all other applicable NRCs as described in Section 7.5.9 or Section 31.5.2.7.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.119 Contract Offer No. 119 – DS3 High Capacity Service Offer (Cont'd)

33.119.5 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.119 Contract Offer No. 119 - DS3 High Capacity Service Offer (Cont'd)

33.119.6 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.119.7 Termination Liability

If Customer terminates this Contract Offer in its entirety or disconnects individual Subject Services provided under this Contract Offer before the completion of the Term Period for any reason, the Customer shall pay the Telephone Company termination liability charges as described below in lieu of termination liability charges in Section 7.4.11. Termination liability charges will also apply if the Customer is not in compliance with the Eligibility Criteria in Section 33.119.2 or the Terms and Conditions in Section 33.119.3. These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described below. Customer's termination liability charges shall be equal to:

Fifty (50) percent of all recurring charges for the balance of the Customer's one (1) year Term Period.

The termination liability charge will be calculated as follows for each service:

(MRC) multiplied by (Months remaining in Term Period) multiplied by (Termination liability percentage of fifty (50) percent).

Example: Customer with a $1,938.02 MRC terminates service after eight (8) months, and has four (4) months remaining in a one (1) year term period. The termination liability would be calculated as:

($1,938.02 X 4) X 50% = $3876.04 termination liability charge.

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. MON services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 120 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1076

33. [1] (D)

[1] See footnote (1) on page 33-1076

33. [1] (D)

[1] See footnote (1) on page 33-1076

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33. [1] (D)

[1] See footnote (1) on page 33-1076

33. [1] (D)

[1] See footnote (1) on page 33-1076

33. [1] (D)

[1] See footnote (1) on page 33-1076

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 121 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1083

33. [1] (D)

[1] See footnote (1) on page 33-1083

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33. [1] (D)

[1] See footnote (1) on page 33-1083

33. [1] (D)

[1] See footnote (1) on page 33-1083

33. [1] (D)

[1] See footnote (1) on page 33-1083

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33. [1] (D)

[1] See footnote (1) on page 33-1083

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

(N)

33.122 Contract Offer No. 122– Price Flex MARC and Discount Freeze Option

33.122.1 General Description

Contract Offer No. 122 - The Price Flex MARC and Discount Freeze Option permits the modification of certain contract offers set forth in Pacific Bell Telephone Company (PBTC) Tariff No. 1, Section 33, that contain Minimum Annual Revenue Commitments (MARCs), and were in effect as of December 29, 2006. This Contract Offer is available to Customers that meet the Eligibility Criteria specified below.

This Contract Offer implements the following commitment of the Telephone Company (Special Access Commitment 11):

> "Within 14 days of the Merger Closing Date, the AT&T/BellSouth ILECs will give notice to customers of AT&T/BellSouth with interstate pricing flexibility contracts that provide for a MARC that varies over the life of the contract that, within 45 days of such notice, customers may elect to freeze, for the remaining term of such pricing flexibility contract, the MARC in effect as of the Merger Closing Date, provided that the customer also freezes, for the remaining term of such pricing flexibility contract, the contract discount rate (or specified rate if the contract sets forth specific rates rather than discounts off of referenced tariffed rates) in effect as of the Merger Closing Date."

Merger Closing Date, for purposes of this Contract Offer, shall be December 29, 2006.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.122 Contract Offer No. 122 – Price Flex MARC and Discount Freeze Option (Cont'd)

33.122.2 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) As of December 29, 2006, the Customer must have subscribed to one or more pricing flexibility contract offers in PBTC Tariff No. 1, Section 33, and such contract offer(s) must include a MARC that varies over the Term Period(s) of the contract offer(s); and

(B) Within thirty (30) days after receiving notice from the Telephone Company regarding Special Access Commitment 11, the Customer must have elected to freeze the MARC and discount rate (or specified rate if the contract offer sets forth specific rates rather than discounts from referenced tariff rates) in effect as of December 29, 2006.

33.122.3 Terms and Conditions

(A) Within (45) days of the effective date of this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company, which must identify each pricing flexibility contract offer for which the Customer elects to freeze its MARC and discount rate (or specified rate).

(B) Notwithstanding any provision of any contract offer that provides for a MARC which varies over the Term Period of such Contract Offer, the MARC and discount rate (or specified rate) shall remain fixed for the remainder of the Term Period of such Contract Offer at the levels in effect as of December 29, 2006.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.122 Contract Offer No. 122 – Price Flex MARC and Discount Freeze Option (Cont'd)

33.122.3 Terms and Conditions (Cont'd)

(C) The Telephone Company shall make such billing adjustments as may be necessary to implement Section 33.122.3(B) of this Contract Offer.

(D) This Contract Offer shall not affect the interpretation or application of any provision of any contract offer that affects the MARC only incidentally or indirectly, such as Merger and Acquisition provisions that require recalculation or adjustment of the MARC to take into account the effects of a merger or acquisition of or by the Customer.

(E) The Customer shall comply with all terms and conditions applicable to the service subject to this Contract Offer, including those of any underlying contract offer or any otherwise applicable tariff. Any violation of such a contract offer or tariff shall be deemed a violation of this Contract Offer.

(F) The rates, terms and conditions applicable to the Customer's service shall not be affected by this Contract Offer except as expressly provided.

(N)

33. Pricing Flexibility Contract Offerings

33.123 Contract Offer No. 123 - Special Access Services Offer

33.123.1 General Description

Contract Offer No. 123- Special Access Services Offer is an access discount pricing plan that provides the Customer with discounted rates for DS1, DS3, [1], (D)
[1] and [1]. To receive discounts under this Contract Offer, the Customer must meet the Eligibility Criteria described in Section 33.123.3, and must comply with all Terms and Conditions described in Section 33.123.4 of this Contract Offer. (D)

Contract Offer No. 123 is available for subscription May 4, 2007 through June 4, 2007. This Contract Offer is not renewable.

33.123.2 Service Qualifications

(A) Contract Offer No. 123 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Service), as provided in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section [1] and Section 31– Metropolitan Statistical Area Access Services. (D)

(B) Subject Services are provided under this Contract Offer only in the following Metropolitan Statistical Areas (MSAs), as follows:

(1) Portability and discounts provided in Sections 33.123.4(I) and 33.123.5 of this Contract Offer shall apply to all Channel Terminations, Interoffice (Channel) Mileage, and Multiplexers associated with Subject Services, including Channel Terminations between the Telephone Company's end office and an end user premises (End User Channel Terminations), in the following MSAs:

San Jose, CA; Fresno, CA; Los Angeles/Long Beach, CA; Oxnard/Ventura, CA; Sacramento; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

[1] Material previously contained in this section has been deleted. DSRS, GigaMAN, and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 123 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.2 Service Qualifications (Cont'd)

(B) (Cont'd)

(2) Portability and discounts provided in Sections 33.123.4(I) and 33.123.5 of this Contract Offer shall apply to Channel Terminations, Interoffice (Channel) Mileage - Fixed and Per Mile, and Multiplexers associated with Subject Services, except for End User Channel Terminations, in the following MSAs:

Non-MSA, CA; Modesto, CA; and Bakersfield, CA.

(3) If the Telephone Company receives additional pricing flexibility relief, services from the new relief areas will be included in the contract tariff.

33.123.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 123 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services provided in the MSAs listed in Section 33.123.2(B) and identified in Table 1, below:

Table 1

Special Access Service	General Basic Description	Rates & Charges Phase I	Rates & Charges Phase II	
DS1 and DS3 Services	7.2.9	31.5.2	31.5.2.7	
[1]	[1]		[1]	(D)
[1]	[1]		[1]	(D)
[1]	[1]		[1]	(D)

[1] See footnote (1) on page 33-1093

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.4 Terms and Conditions

(A) The Customer must purchase 230 new DS1 Subject Services within the first three (3) months of the Term Period. The Customer must also purchase an additional fifty (50) new DS1 Subject Services within the first twelve (12) months of the Term Period, and an additional twenty (20) new DS1 Subject Services at any time during the Term Period. The maximum quantity of new DS1 Subject Services that the Customer may purchase during the Term Period is 725.

(B) The Customer must purchase two (2) new DS3 Subject Services within twelve (12) months of the beginning of the Term Period, and may purchase an additional twenty-three (23) new DS3 Subject Services at any time during the Term Period.

(C) The Customer must purchase one (1) new [1] within the San Diego MSA within twelve (12) months of the beginning of the Term Period. (D)

(D) The Customer must purchase at least one (1) new [1] Subject Service, but no more than ten (10) new (D)
[1] Subject Services, during the Term Period. [1] (D)
Subject Services shall be defined as [1], [1], (D)
[1], or [1] Services, and as further defined in (D)
Section 33.123.5.

(E) The Customer may purchase maximum of twenty-five (25) new [1] Subject Services during the Term Period. (D)

(F) New Subject Services must be purchased subject to three (3) year term payment plans to be included in this Contract Offer.

(G) Term Period

The contract term (Term Period) shall be thirty-six (36) months, commencing on the date the Telephone Company receives the Letter of Subscription (LOS) from the Customer.

Upon expiration of the Term Period, Subject Services will be provided according to the rates, Terms and Conditions of the otherwise applicable three (3) year term payment plan.

[1] See footnote (1) on page 33-1093

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.4 Terms and Conditions (Cont'd)

(H) General

Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(1) All Terms and Conditions for the Subject Services provided under this Contract Offer shall continue to be governed by the otherwise applicable tariff sections, except as noted herein.

(2) The Customer shall not include Subject Services provided under this Contract Offer in the Managed Value Plan (MVP) offering in Section 22.

(3) To subscribe to this Contract Offer, the Customer must provide the Telephone Company an LOS.

(4) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(5) If the Customer discontinues service under this Contract Offer during the Term Period, or if the Customer breaches any provision of this Contract Offer or other applicable tariff sections, termination liability shall apply in accordance with Section 33.123.8.

(6) Contract Offer No. 123 is available only from May 4, 2007 through June 4, 2007. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.4 Terms and Conditions (Cont'd)

(I) Portability of Subject Services

The Telephone Company shall waive otherwise applicable termination liability charges for moves and/or disconnects of Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis. To receive the credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) The Customer must be in compliance with all Terms and Conditions of this Contract Offer.

(2) DS1 Subject Services

For any DS1 Subject Service to be eligible for portability, the Subject Service must have been in service for at least one (1) month, and net adds must equal disconnects. The Customer cannot go below the minimum level of DS1s stated on 33.123.4(A).

(3) DS3 Subject Services

For any DS3 Subject Services to be eligible for portability, the Subject Service must have been in service for at least two (2) years, and net adds must equal disconnects. The customer cannot go below the minimum level of DS3s stated in 33.123.4 (B)

(4) For any [1], [1], [1] and [1] (D)
Subject Services and [1] Subject Services (D)
Subject Services to be eligible for portability, the Subject Service must have been in service for at least three (3) years, and net adds must equal disconnects.

[1] See footnote (1) on page 33-1093

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.5 Rates and Charges

Subject Services shall be subject to the Monthly Recurring Charges (MRCs) set forth in the tables below. Rates are applicable by zone, where applicable, as provided in the tables below. Any rate elements not described in the tables below shall be subject to the otherwise applicable tariff rates, as provided in the tariff sections listed in 33.123.3 of this Contract Offer.

(A) Monthly Recurring Charges (MRCs)

(1) DS1:

	Zone 1	Zone 2	Zone 3
Channel Terminations - 0 Variable Miles	$101.25	$110.25	$119.25
Channel Terminations – 1 – 10 Miles	$200.14	$214.79	$229.46
Channel Terminations – 11 – 20 Miles	$234.90	$281.21	$299.12

(2) DS3:

Rate Element	USOC	Zone 1	Zone 2	Zone 3
Channel Termination – per point of termination	Z3MAC/Z3MAP	$824.50	$873.00	$902.50
Channel Mileage - Fixed	1L5XX	$352.35	$361.05	$382.80
Channel Mileage - Variable	1L5XX	$14.99	$17.01	$19.04
Mukltiplexing – DS3 to DS1 or Fiber	MQ3/MQ4	$258.75	$267.75	$276.75

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.5 Rates and Charges (Cont'd)

(A) Monthly Recurring Charges (MRCs) (Cont'd)

(3) [1]: (D)

Rate Element	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)
(D)

(4) [1]: (D)

Rate Element	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)
(D)

(5) [1]: (D)

Rate Element	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)
(D)

[1] See footnote (1) on page 33-1093

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.5 Rates and Charges (Cont'd)

(A) Monthly Recurring Charges (MRCs) (Cont'd)

(6) [1]: (D)

Rate Element	USOC	MRC	
[1]	[1]	[1]	(D)
[1]	[1]	[1]	|
[1]	[1]	[1]	|
[1]	[1]	[1]	(D)

(7) [1]: (D)

Description	Applicable USOC	MRC	
[1]	[redacted]		(D)
[1]	[1]	[1]	(D)
[1]	[1]	[1]	(D)
[redacted]			
[1]	[redacted]		(D)
[1]	[1]	[1]	(D)
[redacted]			
[1]	[1]	[1]	(D)

(8) [1]: (D)

Rate Element	USOC	MRC	
[1]	[1]	[1]	(D)
[1]	[1]	[1]	|
[1]	[1]	[1]	|
[1]	[1]	[1]	(D)

[1] See footnote (1) on page 33-1093.

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.5 Rates and Charges (Cont'd)

(B) Nonrecurring Charges (NRCs)

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract offer, except for Access Order Charges. The Customer must pay all other applicable NRCs, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC Tariff F.C.C. No. 1, Section 5.2.2, for Contributory Subject Services pursuant to this Contract Offer.

33.123.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.6 Assignment and Transfer (Cont'd)

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

33.123.7 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and in effect, notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete, and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.8 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7. If the Customer terminates Contract Offer No. 123 before the completion of the Term Period for any reason whatsoever (other than a material default by the Telephone Company), or if the Customer breaches any of the Terms and Conditions of this Contract Offer, or other applicable tariff sections, the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification ninety (90) days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer. If the Customer fails to meet any of the eligibility criteria in Section 33.123.4, or fails to meet any of the Terms and Conditions in Section 33.123.5, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 123, and termination liability charges will apply, as stated below, and will be payable pursuant to PBTC Tariff F.C.C. No. 1, Section 2.4. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.123 Contract Offer No. 123 - Special Access Services Offer (Cont'd)

33.123.8 Termination Liability (Cont'd)

(A) The Customer's subscription to a Subject Service pursuant to this Contract Offer No. 123 shall terminate if the Customer elects to terminate the Subject Service, or if the Customer materially breaches the Terms and Conditions governing the Subject Service, except as expressly provided to the contrary herein. If any Subject Service is so terminated, the Customer shall be liable for a termination charge, which shall be equal to fifty (50) percent of the MRC for the terminated Subject Services for the balance of the Term Period.

The termination charge shall be calculated as (MRC) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of fifty (50) percent).

Example: The MRC of the terminated Subject Service equals $30,000 and the Subject Service is terminated after twelve (12) months, with twenty-four (24) months remaining in the Term Period. The termination charge would be:

($30,000 X 24) X 50% = $360,000 Termination Charge

(C) Upon termination of this Contract Offer, all Subject Services then remaining in service will be converted to the prevailing month-to-month extension tariff rates applicable to the Subject Services. Prevailing tariff rates are highlighted in PBTC Tariff F.C.C. No. 1, Section 31.

(D) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer or other contract or tariff governing the new service offerings must include a term period and volume commitment that are the same as, or greater than, this Contract Offer.

(N)

33. Pricing Flexibility Contract Offerings

33.124 Contract Offer No. 124 – [1] Service Offer (D)

33.124.1 General Description

Contract Offer No. 124 – [1] Service Offer is an access discount pricing plan that permits Customers who meet the Eligibility Criteria in Section 33.124.3, and the Terms and Conditions in Section 33.124.4, to purchase Subject Services in Section 33.124.2 at the discounted rates listed in Section 33.124.5. Subject Services provided under Contract Offer No. 124 are available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) described in Section 33.124.3(B). (D)

Contract Offer No. 124 is available for subscription from May 5, 2007 through June 5, 2007. This Contract Offer is not renewable.

33.124.2 Subject Services

(A) Contract Offer No. 124 applies to the following pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Sections 7 and 31.5.2.7 – DS3 High Capacity Service;

(2) PBTC Tariff F.C.C. No. 1, Sections 7 and 31.5.2.7– DS1 High Capacity Service; and

(3) PBTC Tariff F.C.C. No. 1, Sections [1] and [1] – [1] Service. (D)

(B) All terms and conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

33.124.3 Eligibility Criteria

The following eligibility criteria must be met to receive Contract Offer No. 124 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 33.124.2(A);

(B) Subject Services must be located in the Bakersfield, CA MSA;

Channel Terminations between the Customer's end office and an end user premises (End User Channel Terminations) are ineligible for Contract Offer No. 124 in the Bakersfield, CA MSA, unless and until the Telephone Company receives pricing-flexibility relief for End User Channel Terminations in the Bakersfield, CA MSA;

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 124 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] (Cont'd) (D)

33.124.3 Eligibility Criteria (Cont'd)

(C) Subject Services ordered pursuant to this Contract Offer must be new; and

(D) All traffic must originate or terminate at a Mobile Switching Center(MSC).

33.124.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be sixty (60) months, commencing on the date billing begins. Billing shall begin no later than thirty (30) days after the Telephone Company has completed the installation, testing, and acceptance of the [1] Access Service Request (ASR), and has closed out the request in its service ordering systems. This Contract Offer is not renewable. (D)

At the expiration of the Term Period, the Customer may choose from the payment options described in PBCT Tariff F.C.C. No. 1, Section 31 for [1]. If, at the expiration of the Customer's Contract Term Period, the Customer does not choose to disconnect or to select one of those payment options, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 31. (D)

(A) Rate Stability

Rate stability under Contract Offer No. 124 shall apply only to the rates specific to this Contract Offer, as provided in the Rate Tables in Section 33.124.5 of this Contract Offer. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, 13-Additional Engineering, Additional Labor and Miscellaneous Services and [1]. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer. Subject Services are also subject to general terms and conditions of PBTC Tariff F.C.C. No. 1, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. (D)

[1] See footnote (1) on page 33-1105

33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] Service Offer (Cont'd) (D)

33.124.4 Terms and Conditions (Cont'd)

(B) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(D) If the Customer discontinues Subject Services under Contract Offer No. 124 and/or terminates this Contract Offer in its entirety during the Term Period, termination liability charges will apply in accordance with Section 33.124.8.

(E) Any additional service, features or functions not included in Section 33.124.5 of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to Section 31 - Metropolitan Statistical Area Access Services.

(F) The Customer must purchase, at a minimum, the following new Subject Services within eighteen (18) months of subscribing to this Contract Offer:

(a) Two (2) new DS3 services; and
(b) Fifty (50) new DS1 services.

(G) The Customer may also purchase additional Subject Services at the discounted rates provided under this Contract Offer at any time during the Term Period.

(H) At the end of the Term Period of this Contract Offer, any Subject Service purchased under this Contract Offer shall be provided according to the rates, terms and conditions of the applicable sixty (60) month term plan found in Section 31 for that service.

(I) The Customer may not combine this Contract Offer with any other promotional, contract offering, or discount plan.

[1] See footnote (1) on page 33-1105

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] Service Offer (Cont'd) (D)

33.124.5 Rates and Charges

(A) DS3 Service Rates and Charges:

The Customer shall pay the following discounted Monthly Recurring Charges (MRCs), as outlined in Table A, below.

Table A

DS3				
Element	**USOC**	**Zone 1**	**Zone 2**	**Zone 3**
Channel Termination	Z3MA+	$727.50	$743.00	$757.50
Channel Mileage-Fixed	1L5XX	$300.00	$308.00	$326.25
Channel Mileage-Per Mile	1L5XX	$13.13	$15.00	$16.88
Multiplexing	MQ3/MQ4	$206.25	$214.00	$221.25

Prevailing tariff Non-Recurring Charges (NRCs) for DS3 service shall apply as referenced in Section 31.

(B) DS1 Service Rates and Charges:

The Customer shall pay the following discounted MRCs, as outlined in Table B, below.

Table B

DS1				
Element	**USOC**	**Zone 1**	**Zone 2**	**Zone 3**
Channel Termination	TMECS	$80.00	$88.00	$96.00
Channel Mileage-Fixed	1L5XX	$28.00	$30.00	$32.00
Channel Mileage-Per Mile	1L5XX	$6.80	$7.00	$7.40

Prevailing tariff NRCs for DS1 service shall apply as referenced in Section 31.

[1] See footnote (1) on page 33-1105

33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] Service Offer (Cont'd) (D)

33.124.5 Rates and Charges (Cont'd)

(C) [1] Service Rates and Charges: (D)

The Customer shall pay the following discounted MRCs, as outlined in Table C, below.

Table C

[1]			(D)
Element	**USOC**	**RATE**	
[1]	[1]	[1]	(D)
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	(D)
[1] **Service**			(D)
Element	**USOC**	**RATE**	
[1]	[1]	[1]	(D)
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	(D)

Prevailing tariff NRCs for [1] service shall apply as referenced in Section 31. (D)

[1] See footnote (1) on page 33-1105.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] Service Offer (Cont'd) (D)

33.124.6 Assignment/Transfers/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C) below. 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

[1] See footnote (1) on page 33-1105

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] (Cont'd) (D)

33.124.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

[1] See footnote (1) on page 33-1105

33. Pricing Flexibility Contract Offerings (Cont'd)

33.124 Contract Offer No. 124 – [1] Offer (Cont'd) (D)

33.124.8 Termination Liability

Termination liability shall apply as provided herein, in lieu of termination liability as provided in PBTC Tariff F.C.C. No. 1, Sections 7 and [1]. Termination charges shall become due as of the effective date of the termination and are payable within thirty (30) days after the billing invoice date. (D)

(A) The Customer's subscription to a Subject Service pursuant to this Contract Offer No. 124 shall terminate if the Customer elects to terminate the Subject Service, or if the Customer materially breaches the Terms and Conditions governing the Subject Service. The Telephone Company shall notify the Customer of its non compliance and the Customer shall have thirty (30) calendar days to cure its non compliance. If it does not, the Telephone Company shall deem this Contract Offer terminated and the Customer shall be liable for termination liability charges set forth in this section, except as expressly provided to the contrary herein. If any Subject Service is so terminated, the Customer shall be liable for a termination charge, which shall be equal to fifty (50) percent of the MRC for the terminated Subject Services for the balance of the Term Period.

The termination charge shall be calculated as (MRC) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage of fifty (50) percent).

Example: The MRC of the terminated Subject Service equals $75,000 and the Subject Service is terminated after thirty-six (36) months, with twenty-four (24) months remaining in the Term Period. The termination charge would be:

($75,000 X 24) X 50% = $900,000 Termination Charge

(B) Upon termination of this Contract Offer, all Subject Services then remaining in service will be converted to the prevailing month-to-month extension tariff rates applicable to the Subject Services. Prevailing tariff rates are highlighted in PBTC Tariff F.C.C. No. 1, Sections 7 and [1]. (D)

[1] See footnote (1) on page 33-1105

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 125 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1113

33. [1] (D)

[1] See footnote (1) on page 33-1113

33. [1] (D)

[1] See footnote (1) on page 33-1113

33. [1] (D)

[1] See footnote (1) on page 33-1113

33. [1] (D)

[1] See footnote (1) on page 33-1113

33. [1] (D)

[1] See footnote (1) on page 33-1113

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service - One Year Term

33.126.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DS0 multiplexer cross connects, as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.126.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(A) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service- One Year Term (Cont'd)

33.126.2 Contract Terms

(A) Contract Offering No. 126 is available during the purchase period which begins June 1, 2007 and ends October 31, 2007.

(B) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 126.

(1) The Access Order Charge described in Section 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 126, is the initial contract term.

(4) Minimum Period Charges, described in Sections 2.4.2 and 5.2.7, do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date, as described in Section 5.1.1. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.126.2 Contract Terms (Cont'd)

(C) The initial contract term for Contract Offering No. 126 is one (1) year, and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(D) At the conclusion of the initial contract term, Subject Services provided under this Contract Offering No. 126 will be automatically converted to the applicable monthly renewal rate, found in Section 33.126.3 (B). The Customer may terminate Contract Offering No. 126 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 126 upon thirty (30) days written notice any time following the completion of the initial contract term.

(E) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(F) No other discount pricing plans apply.

(G) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 126.

(H) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 126 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.126.2(L). The termination charge for Contract Offering No. 126 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(I) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 126 terminated, and the termination charges described in Section 33.126.2(J) will apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the Non-Recurring Charges (NRCs) to install service as reflected in Section 33.126.3(B).

(This page filed under Transmittal No. 353) (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.126.2 Contract Terms (Cont'd)

(C) The Customer may elect to discontinue Contract Offering No. 126 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.126.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity.

(2) The new service is provided to the same end user's premises to which Contract Offering No. 126 was provided.

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 126.

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 126.

(D) Contract Offering No. 126 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 126 terminated. If Contract Offering No. 126 is terminated during the initial contract term, the termination charges described in Section 33.126.2(J) will apply. (N)

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service - One Year Term (Cont’d)

33.126.2 Contract Terms (Cont’d)

(C) The Telephone Company will designate the AA+ Transport Service Node from which the service will be provided.

(D) The AA+ Transport Service Customer is responsible for channel assignments, which include the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.126.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.15(B), and the Service Rearrangement Charge reflected in Section 33.126.3(B) will apply.

33.126.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs, listed in Table A, herein, are one-time charges that apply for specific work activities.

(a) An NRC applies for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects. (N)

(b) An NRC applies on a “per DS0 channel” basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

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(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.126 Contract Offering No. 126 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.126.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly Recurring Charges (MRCs), listed in Table A, below, are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) An MRC applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(A) Rates and Charges

Table A

	MRC	NRC	CRIS USOC	CABS USOC
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. Pricing Flexibility Contract Offering (N)

33.127 Contract Offering No. 127 – Access Advantage Plus Transport Service – Two Year Term

33.127.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects, as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.127 Contract Offering No. 127 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.127.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(2) Bonded Channel Group 8 – Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(3) Bonded Channel Group 12 – Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.127 Contract Offering No. 127 - Access Advantage Plus Transport Service - Two Year Term (Cont'd)

33.127.2 Contract Terms

(A) Contract Offering No. 127 is available during the purchase period which begins June 1, 2007 and ends October 31, 2007.

(B) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 127.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6, for Contract Offering No. 127, is the initial contract term.

(4) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date, as described in Section 5.1.1. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.127 Contract Offering No. 127 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.127.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 127 is two (2) years, and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Subject Services provided under Contract Offering No. 127 will be automatically converted to the applicable monthly renewal rate, found in Section 33.127.3 (B). The Customer may terminate Contract Offering No. 127 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 127 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 127.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 127 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.127.2(L). The termination charge for Contract Offering No. 127 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 127 terminated, and the termination charges described in Section 33.127.2(J) will apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the NRC to install service as reflected in Section 33.127.2(B).

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.127 Contract Offering No. 127 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.127.2 Contract Terms (Cont'd)

(L) The Customer may elect to discontinue Contract Offering No. 127 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.127.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity.

(2) The new service is provided to the same end user's premises to which Contract Offering No. 127 was provided.

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 127.

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the customer's initial contract term for Contract Offering No. 127.

(M) Contract Offering No. 127 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and will be maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 127 terminated. If Contract Offering No. 127 is terminated during the initial contract term, the termination charges described in 3 Section 3.127.2(J) will apply.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.127 Contract Offering No. 127 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.127.2 Contract Terms (Cont'd)

(N) The Telephone Company will designate the AA+ Transport Service Node from which the service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which include the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.127.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B), and the Service Rearrangement Charge reflected in Section 33.127.3(B) will apply.

33.127.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs as listed in Table B, herein, are one-time charges that apply for specific work activities.

(a) An NRC does not apply for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) An NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.127 Contract Offering No. 127 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.127.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(1) MRCs, listed in Table B, below, are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) An MRC applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

Table B

	MRC	NRC	CRIS USOC	CABS USOC
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering

33.128 Contract Offering No. 128 – Access Advantage Plus Transport Service – Three Year Term

33.128.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects, as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(A) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(3) Bonded Channel Group 6 – Six consecutively assigned DS0 channels configured to provide 384 Kbps of capacity. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.128 Contract Offering No. 128 - Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.128.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 8 - Eight consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(2) Bonded Channel Group 12 - Twelve consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.128 Contract Offering No. 128 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.128.2 Contract Terms

(A) Contract Offering No. 128 is available during the purchase period, which begins June 1, 2007 and ends October 31, 2007.

(B) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 128.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in Section 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 128, is the initial contract term.

(5) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(1) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.128 Contract Offering No. 128 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.128.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date, as described in Section 5.1.1.

(E) The initial contract term for Contract Offering No. 128 is three (3) years, and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Subject Services provided under Contract Offering No. 128 will be automatically converted to the applicable monthly renewal rate, found in Section 33.128.3 (B). The Customer may terminate Contract Offering No. 128 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 128 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 128.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 128 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.128.2(L). The termination charge for Contract Offering No. 128 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows: (N)

(Monthly rate) x (Months remaining in initial contract term) x (50%)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.128 Contract Offering No. 128 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.128.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 128 terminated, and the termination charges described in Section 33.128.2(J) will apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The Customer may elect to discontinue Contract Offering No. 128 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.128.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity.

(2) The new service is provided to the same end user's premises to which Contract Offering No. 128 was provided.

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 128.

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 128. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.128 Contract Offering No. 128 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.128.2 Contract Terms (Cont'd)

(M) Contract Offering No. 128 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and will be maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 128 terminated. If Contract Offering No. 128 is terminated during the initial contract term, the termination charges described in Section 33.128.2(J) will apply.

(N) The Telephone Company will designate the AA+ Transport Service Node from which the service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.128.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B) and the Service Rearrangement Charge reflected in Section 33.128.3(B) applies. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.128 Contract Offering No. 128 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.128.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs, as listed in Table C, below, are one-time charges that apply for specific work activities.

(a) An NRC does not apply for installation of each AA+ Transport Service or to activate initial DS0 multiplexer cross connects.

(b) An NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) MRCs, as listed in Table C, below, are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) An MRC applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

Table C

	MRC	**NRC**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

33. [1] (D)

[1] Material previously contained in this section has been deleted. OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 129 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1141

33. [1] (D)

[1] See footnote (1) on page 33-1141

33. [1] (D)

[1] See footnote (1) on page 33-1141

33. [1] (D)

[1] See footnote (1) on page 33-1141

33. [1] (D)

[1] See footnote (1) on page 33-1141

33. [1] (D)

[1] See footnote (1) on page 33-1141

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 130 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

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33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] See footnote (1) on page 33-1148

33. [1] (D)

[1] Material previously contained in this section has been deleted. OPT-E-MAN® services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 131 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1159

33. [1] (D)

[1] See footnote (1) on page 33-1159

33. [1] (D)

[1] See footnote (1) on page 33-1159

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 132 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1163

33. [1] (D)

[1] See footnote (1) on page 33-1163

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33. [1] (D)

[1] See footnote (1) on page 33-1163

33. [1] (D)

[1] See footnote (1) on page 33-1163

33. [1] (D)

[1] See footnote (1) on page 33-1163

33. [1] (D)

[1] See footnote (1) on page 33-1163

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer

33.133.1 General Description

Contract Offer No. 133 – Special Access Bundle Service Offer (Contract Offer No. 133) is an access discount pricing plan for which concurrent subscription is required to the following Access Tariffs: Ameritech Operating Companies (Ameritech), Tariff F.C.C. No. 2; Pacific Bell Telephone Company (PBTC), Tariff F.C.C. No. 1; Southwestern Bell Telephone Company (SWBT), Tariff F.C.C. No. 73; and BellSouth Telecommunications, Inc. (BellSouth), Tariff F.C.C. No. 1. This Contract Offer No. 133 permits Customers who meet the Eligibility Criteria in Section 33.133.3, and the Terms and Conditions in Section 33.133.4, to purchase Subject Services in Section 33.133.2 at the discounted rates listed in Section 33.133.5. Subject Services under Contract Offer No. 133 are available in the Pricing Flexibility Metropolitan Statistical Areas (MSAs) described in Section 33.133.3 (B).

Contract Offer No. 133 is available for subscription from August 21, 2007 through September 21, 2007. This Contract Offer is not renewable.

33.133.2 Subject Services

(A) This Contract Offer applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff section(s):

(1) PBTC Tariff F.C.C. No. 1, Section [1] ; (D)

(2) PBTC Tariff F.C.C. No. 1 Section [1]; (D)

(3) PBTC Tariff F.C.C. No. 1, Section 7 – DS3 Special Access Service;

(4) PBTC Tariff F.C.C. No. 1, Section [1]; and (D)

(5) PBTC Tariff F.C.C. No. 1, Section 7 – DS1 High Capacity Service

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

[1] Material previously contained in this section has been deleted. DSRS and OCN PTP services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 133 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd) (N)

33.133.3 Eligibility Criteria

The following Eligibility Criteria must be met to receive Contract Offer No. 133 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 33.133.2(A);

(B) Subject Services must be located in the following MSAs:

(1) Full Service Relief MSAs are listed below:

San Jose, CA; Fresno, CA; Los Angeles/Long Beach, CA;

(2) Limited Service Relief MSAs are listed below:

Bakersfield, CA; Modesto, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; Stockton, CA.

(C) Any Subject Service ordered pursuant to this Contract Offer must be new;

(D) All traffic must originate or terminate at a Mobile Switching Center (MSC); and

(E) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 133, pursuant to the following tariffs:

(1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 164; (N)
(Nx)

(2) SWBT Tariff F.C.C. No. 73, Section 41 Contract Offer No. 137; and

(3) BellSouth Tariff F.C.C. No. 1, Section 25, Contract Offer No. 51.

(x) Issued under Authority of Special Permission No. 07-020 of F.C.C. (Nx)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be seventy-two (72) months, commencing on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer. This offer is not renewable.

Upon expiration of the Term Period, Subject Services shall be converted to the prevailing applicable monthly (extension) rates, described in Section 39, unless the Customer selects a payment plan described in Sections 7, [1], [1] or 32, as applicable. (D)

(B) General

(1) Subject Services, as described in Section 33.133.2, are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No. 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in the Contract Offer.

(2) All Terms and Conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer may not include Subject Services provided under this Contract Offer in any other contract offer, promotional offering, or other discount plan, (e.g. MVP).

(4) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services under this Contract Offer is prohibited.

(5) If the Customer discontinues service under Contract Offer No. 133 during the Term Period, termination liability charges shall apply in accordance with Section 33.133.8.

[1] See footnote (1) on page 33-1170.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.133 Contract Offer No. 133 - Special Access Bundle Service Offer (Cont'd)

33.133.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(6) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company.

(7) The Customer must Purchase the following number of new DS1 Subject Services in the time frame allotted:

In Year One - fifty (50) new DS1 Subject Services.

In Year Two - fifty (50) new DS1 Subject Services for a cumulative of 100 DS1s through Year Two of Contract Offer No. 133; and

In Year Three - one hundred (100) new DS1 Subject Services for a cumulative of two hundred (200) DS1s through Year Three of Contract Offer No. 133.

Customer must maintain two hundred (200) or greater DS1 Subject Services for the remainder of the Term Period.

(8) The Customer must Purchase the following number of new DS3 Subject Services in the time frame allotted:

In Year One - four (4) new DS3 Subject Services.

In Year Two - four (4) new DS3 Subject Services for a cumulative of eight (8) DS3s through Year Two of Contract Offer No. 132; and

In Year Three - four (4) new DS3 Subject Services for a cumulative of twelve (12) DS3s through Year Three of Contract Offer No. 133.

Customer must maintain twelve (12) or greater DS3 Subject Services for the remainder of the Term Period. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(6) The Customer must purchase the following number of new [1] or [1] Subject Services in the time frame allotted: (D)

In Year One – zero (0) new [1] or [1] Subject Services. (D)

In Year Two – one (1) new [1] or [1] Subject (D)
Services for a cumulative of one (1) [1] or [1] (D)
through Year Two of Contract Offer No. 133; and

In Year Three – zero (0) new [1] or [1] Subject (D)
Services for a cumulative of one (1) [1] or [1] (D)
through Year Three of Contract Offer No. 133.

Customer must maintain one (1) or greater [1] (D)
or [1] Subject Services for the remainder of (D)
the Term Period.

(7) DS3 and DS1 Subject Services ordered under Contract Offer No. 133 must subtend new or existing PBTC [1] services where such services are deployed. (D)

(8) Subject Services must originate or terminate on a wireless carrier's network.

(A) Service Terms

(1) The minimum term commitment for each Subject Service purchased under this Contract Offer (Service Term) will be seventy-two (72) months, commencing upon the Service Establishment Date (SED) of services.

(2) If the Customer disconnects a Subject Service during the Service Term, termination charges shall apply in accordance with Section 33.133.10.

[1] See footnote (1) on page 33-1170

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.5 Rates and Charges

(A) [1] Rates and Charges (D)

The Customer must pay the Monthly Recurring Charges (MRCs) listed in Table A, below, for new [1] Subject Services ordered under this Contract Offer. (D)

Table A

[1] Rate Elements	USOC	MRC
(1)		
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)		
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)		
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)

(D)
(D)
(D)

[1] See footnote (1) on page 33-1170

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.5 Rates and Charges (Cont'd)

(A) [1] Rates and Charges (Cont'd) (D)

[1] **Rate Elements**	**USOC**	**MRC**	
[1]			(D)
[1]	[1]	[1]	(D)
[1]	[1]	[1]	(D)
[1]	[1]	[1]	(D)

Any rate element not described herein will be subject to the applicable tariff rates provided in Section 39.

The Customer must pay the MRCs listed in Table B, below, for new [1] and [1] Subject Services ordered under this Contract Offer. (D)

Table B

[1] **and** [1] **Rate Elements**	**USOC**	**MRC**	
[1]	[1]	[1]	(D)
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	
[1]	[1]	[1]	(D)

[1] See footnote (1) on page 33-1170.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.5 Rates and Charges (Cont'd)

(A) [1] Rates and Charges (Cont'd) (D)

Table B (Cont'd)

[1] and [1] Rate Elements	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)
(D)
(D)

Any rate elements not described herein will be subject to the applicable tariff rates provided in Section 39.

(B) [1] Rates and Charges

The Customer must pay the MRCs listed in Table C, below, for the new [1] Subject Service ordered under this Contract Offer. (D)

Table C

[1]	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)
(D)
(D)

[1] See footnote (1) on page 33-1170

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.5 Rates and Charges (Cont'd)

(A) [1] Rates and Charges (Cont'd) (D)

Table C (Cont'd)

[1] Rate Element	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)

[1] Rate Element	USOC	MRC
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]
[1]	[1]	[1]

(D)

Any rate element not described herein will be subject to the applicable tariff rates provided in Section 39.

[1] See footnote (1) on page 33-1170

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd) (N)

33.133.5 Rates and Charges (Cont'd)

(C) DS3 Rates and Charges:

The Customer must pay the MRCs listed in Table D, below, for the new DS3 Subject Services ordered under this Contract Offer.

Table D

DS3 Rate Element	USOC	MRC
DS3 CHANNEL TERMINATION - Per Point of Termination	TUZPX	$731.25
INTEROFFICE CHANNEL MILEAGE Fixed	1OXHX	$337.50
INTEROFFICE CHANNEL MILEAGE Per mile	1J5HS	$33.75
CENTRAL OFFICE MULTIPLEXING - DS3 TO DS1 - Per Arrangement	MKM	$356.25

Any rate element not described herein will be subject to the applicable tariff rates provided in Section 39.

(D) DS1 Rates and Charges

The Customer must pay the MRCs listed in Table e, below, for the new DS1 Subject Services ordered under this Contract Offer.

Table E

DS1 RATE ELEMENT	USOC	MRC
DS1 CHANNEL TERMINATION - Per Point of Termination	TMECS	$73.00
INTEROFFICE CHANNEL MILEAGE Fixed	1L5XX	$24.82
INTEROFFICE CHANNEL MILEAGE Per mile	1L5XX	$9.49
CENTRAL OFFICE MULTIPLEXING - DS1 TO DS0 - Per Arrangement	MQ1	$116.80

Any rate element not described herein will be subject to the applicable tariff rates provided in Section 39. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.5 Rates and Charges (Cont'd)

(E) [1] Rates and Charges (D)

The Customer shall have, at their option, the ability to purchase [1] Subject Services and be billed at the [1] rate as outlined in Table F, below. (D) (D)

Table F

[1] Element	USOC	1st [1] Discount Rate	2nd [1] Discount Rate	3rd and 4th [1] Discount Rate
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]
[1]	[1]	[1]	[1]	[1]

(D)
(D)
(D)
(D)

Any rate elements not described herein will be subject to the applicable tariff rates provided in Section 39.

[1] See footnote (1) on page 33-1170

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.133.6 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

(N)

33.133 Contract Offer No. 133 - Special Access Bundle Service Offer (Cont'd)

33.133.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.133.8 Technology Upgrade

(A) If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, and such new offering(s) employ new technology not available from the Telephone Company at the commencement of the Term Period, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offering from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided, however, that the contract offer, other contract or tariff governing the new service includes a term period and billing equal to, or greater than, that of this Contract Offer. The Customer may exercise the upgrade option provided the following additional conditions are met:

(1) The Customer must meet all eligibility requirements outlined in Section 33.133.3, and Terms and Conditions outlined in Section 33.133.4;

(2) The Customer must notify the Telephone Company ninety (90) days prior to exercising this option; and

(3) The Customer will be responsible for all Non-Recurring Charges associated with the upgrade, as well as any Special Construction Charges incurred by the Telephone Company to provision the upgraded service.

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.9 Portability

The Telephone Company will waive otherwise applicable termination liability charges for moves of existing DS1 and DS3 Subject Services, provided that the Customer complies with the conditions set forth below. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis.

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer;

(B) DS1 Subject Services must have been in service for a minimum of twelve (12) months to be eligible for portability;

(C) DS3 Subject Services must have been in service for a minimum of two (2) years to be eligible for portability; and

(D) [1] and [1] Services are eligible for portability only under the terms and conditions specified for those services in the general tariff. (D)

[1] See footnote (1) on page 33-1170

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.133 Contract Offer No. 133 – Special Access Bundle Service Offer (Cont'd)

33.133.10 Termination Liability

Termination liability language, described below, applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Sections 7, [1], (D)
[1], and [1]. If the Customer discontinues services (D)
provided under this Contract Offer before the completion of the Term Period for any reason, or if the Customer breaches the Terms or Conditions of this Contract Offer or of any other applicable tariff provision, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with all the provisions of this Contract Offer. These termination liability charges shall become due as of the effective date of the termination of service, and are payable as described below.

The Customer's termination liability charges shall be equal to:

Termination Term Year	Termination Percentage
1 – 6	50%

The termination liability charge shall be calculated as follows:

MRC multiplied by the number of months remaining in the Term Period, multiplied by fifty (50) percent.

Example 1: A Customer with a $100,000 MRC terminates service after twenty-four (24) months, and has forty-eight (48) months remaining on the six (6) year Term Period. The termination liability would be calculated as:

($100,000 X 48 months) X 50% = $2,400,000 termination liability charge

[1] See footnote (1) on page 33-1170

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33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 134 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1185

33. [1] (D)

[1] See footnote (1) on page 33-1185

33. [1] (D)

[1] See footnote (1) on page 33-1185

33. [1] (D)

[1] See footnote (1) on page 33-1185

33. [1] (D)

[1] See footnote (1) on page 33-1185

33. [1] (D)

[1] See footnote (1) on page 33-1185

33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 135 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. [1] (D)

[1] See footnote (1) on page 33-1192

33. [1] (D)

[1] See footnote (1) on page 33-1192

33. [1] (D)

[1] See footnote (1) on page 33-1192

33. [1] (D)

[1] See footnote (1) on page 33-1192

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33. [1] (D)

[1] See footnote (1) on page 33-1192

33. [1] (D)

[1] See footnote (1) on page 33-1192

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33. [1] (D)

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 136 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

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33. [1] (D)

[1] See footnote (1) on page 33-1199

33. [1] (D)

[1] See footnote (1) on page 33-1199

33. [1] (D)

[1] See footnote (1) on page 33-1199

33. [1] (D)

[1] See footnote (1) on page 33-1199

33. [1] (D)

[1] See footnote (1) on page 33-1199

33. [1] (D)

[1] See footnote (1) on page 33-1199

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.137 Contract Offer No. 137 – [1] (D)

33.137.1 General Description

[1] Offer (Contract Offer No. 137) is an access services discount pricing plan that permits Customers who meet the Eligibility Criteria in Section 33.137.3, and the Terms and Conditions in Section 33.137.4, to purchase two (2) new Subject Services listed in Section 33.137.2 at the discounted rates provided in Section 33.137.5. Subject Services provided under Contract Offer No. 137 are available only in the Pricing Flexibility Metropolitan Statistical Area (MSA) listed in Section 33.137.3(B). (D)

Contract Offer No. 137 is available for subscription from October 6, 2007 through November 6, 2007. This Contract Offer is not renewable.

33.137.2 Subject Services

(A) Contract Offer No. 137 applies to the following pricing flexibility qualified access services (Subject Services), as described in the following tariff sections:

(1) Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section [1]; and (D)

(2) PBTC Tariff F.C.C. No. 1, Section 7 – DS3 Service.

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

33.137.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to receive the Contract Offer No. 137 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 33.137.2(A); and

(B) Subject Services must be located in the following Pricing Flexibility MSA: Sacramento, CA.

[1] Material previously contained in this section has been deleted. DSRS services formerly contained in this Contract Offer are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 137 shall remain in effect according to its existing terms and conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contracts (i.e., those in place prior to de-tariffing) on the Commissions' website http://svartifoss2.fcc.gov/prod/ccb/etfs/, effective December 31, 2007.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be eighty-four (84) months, commencing on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer.

At the expiration of the Term Period, the Customer may choose from the payment plan options described in PBTC Tariff F.C.C. No. 1, Section [1]. If, at the expiration of the Customer's Contract Term (D) Period, the Customer does not choose to disconnect or to select one of those payment plan options, the Telephone Company shall convert the Subject Services to the prevailing monthly extension rates in PBTC Tariff F.C.C. No. 1, Section [1]. (D)

(B) Rate Stability

Rate stability under Contract Offer No. 137 shall apply only to the rates specific to this Contract Offer, as provided in the rate tables in Section 33.137.5. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Option, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(C) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company.

(D) If the Customer terminates the Subject Service provided under this Contract Offer and/or terminates this Contract Offer in its entirety during the Term Period, or if the Customer breaches any of the terms or conditions of this Contract Offer or any provision of any other applicable tariff, termination liability charges will apply in accordance with Section 33.137.8.

[1] See footnote (1) on page 33-1206

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.4 Terms and Conditions (Cont'd)

(E) Any additional service, features or functions not listed in Section 33.137.5 of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to PBTC Tariff F.C.C. No. 1, Section [1]. (D)

(F) New Purchase Requirements

(1) Within sixty (60) days after contract subscription, the Customer must submit an Access Service Request (ASR) to purchase one (1) new [1]located in the Sacramento, CA MSA configured as provided in Section 33.137.5(A), below, pursuant to this Contract Offer. (D)

(2) Within twelve (12) months after contract subscription, the Customer must submit an ASR to purchase an one (1) additional new [1] located in the Sacramento, CA MSA configured as provided in Section 33.137.5(B), below, pursuant to this Contract Offer. (D)

[1] See footnote (1) on page 33-1206

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.4 Terms and Conditions (Cont'd)

(G) Subtending DS3 Requirements

During the first three (3) years of the Term Period, if the Customer purchases DS3 Subject Services to subtend the [1] Subject Service provided under this (D) Contract Offer, and such additional DS3 Subject Services were not previously provided to the Customer by the Telephone Company, the Telephone Company will provide billing credits to the Customer as provided herein:

(1) The Telephone Company will apply a one-time billing credit of $10,968 for each new DS3 Subject Service provisioned during Term Years 1, 2 and 3, up to a total maximum billing credit of $1,700,000.

(2) The Telephone Company will review at the end of each quarter (i.e., each three-month period) during the Term Period, during Term Years 1, 2 and 3, the number of new DS3 Subject Services provisioned during the quarter. Based on that review, the Telephone Company will apply a one-time billing credit for each new circuit provisioned during that quarter within ninety (90) days after the end of the quarter, to the Customer's Billing Account Number (BAN).

(H) Subject Services under this Contract Offer will not be eligible for additional discounts under the Managed Value Plan (MVP) offering in PBTC Tariff F.C.C. No. 1, Section 22. This Contract Offer cannot be combined with any other promotion, contract or discount offer.

(I) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer Nos. 55 and 67, for existing Subject Services to be provided pursuant to this Contract Offer, to the extent such termination liability charges would result from the migration of Subject Services to this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff.

[1] See footnote (1) on page 33-1206

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.5 Rates and Charges

(A) The Customer shall pay $80,000.00 in Monthly Recurring Charges (MRCs) for the first (1st) new [1] purchased under this Contract Offer, with the configuration and capacity limits set forth in Table A, below: (D)

Table A

[1] Rate Elements	USOC	QTY	
[1]	[1]	3	(D)
[1]	[1]	6	(D)
[1]	[1]	9	(D)
[1]	[1]	2	(D)
[1]	[1]	28	(D)

Billing shall begin thirty (30) days after the Telephone Company's completion of the ASR.

(B) The Customer shall pay $70,000.00 in Monthly Recurring Charges (MRCs) for the second (2nd) new [1] purchased under this Contract Offer, with the configuration and capacity limits set forth in Table B, below: (D)

Table B

[1] Rate Elements	USOC	QTY	
[1]	[1]	3	(D)
[1]	[1]	6	(D)
[1]	[1]	9	(D)
[1]	[1]	1	(D)
[1]	[1]	28	(D)

(C) The Customer may purchase additional [1] elements at the discounted MRCs listed in Table C, below: (D)

Table C

[1] Rate Elements	USOC	Rate	
[1]	[1]	[1]	(D)
[1]	[1]	[1]	(D)
[1]	[1]	[1]	(D)

[1] See footnote (1) on page 33-1206

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.5 Rates and Charges (Cont'd)

(A) Any rate elements not described herein will be subject to the applicable rates and charges outlined in Sections [1]. (D)

(B) Prevailing tariff Non-Recurring Charges (NRCs), as described in PBTC Tariff F.C.C. No. 1, Section [1], (D)
for [1] shall apply. (D)

33.137.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

[1] See footnote (1) on page 33-1206

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.6 Assignment and Transfer (Cont'd)

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

33.137.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

[1] See footnote (1) on page 33-1206

33. Pricing Flexibility Contract Offerings (Cont'd)

33.137 Contract Offer No. 137 – [1] (Cont'd) (D)

33.137.8 Termination Liability

Termination liability shall apply as provided herein, in lieu of termination liability as provided in PBTC Tariff F.C.C. No. 1, Section [1]. Termination charges shall become due as of the effective date of the termination, and are payable within thirty (30) days after the billing invoice date. (D)

(A) The Customer's subscription to a Subject Service pursuant to this Contract Offer No. 137 shall terminate if the Customer elects to terminate the Subject Service, or if the Customer materially breaches the Terms and Conditions governing the Subject Service. The Telephone Company shall notify the Customer of its non-compliance, and the Customer shall have thirty (30) calendar days to cure its non-compliance. If it does not, the Telephone Company shall deem this Contract Offer terminated, and the Customer shall be liable for termination liability charges set forth in this Section, except as expressly provided to the contrary herein. If any Subject Service is so terminated, the Customer shall be liable for a termination charge equal to the percentage of the MRC for the terminated Subject Service for the balance of the Term Period, as provided below:

Termination–Term Year	Termination Percentage
1 – 3	75%
4 – 5	50%
6	10%
7	5%

(B) The termination charge shall be calculated as (MRC) multiplied by (months remaining in Term Period) multiplied by (termination liability percentage).

Example: The MRC of the terminated Subject Service equals $80,000 and the Subject Service is terminated after thirty-six (36) months, with forty-eight (48) months remaining in the Term Period. The termination charge would be:

($80,000 X 48) X 50% = $1,920,000 Termination Charge

[1] See footnote (1) on page 33-1206

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term

33.138.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DS0 multiplexer cross connects, as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.1 General Description (Cont'd)

(B) (Cont'd)

(3) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(A) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.2 Contract Terms

(A) Contract Offering No. 138 is available during the purchase period which begins November 1, 2007 and ends December 31, 2007.

(B) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 138.

(1) The Access Order Charge described in Section 5.2.1 (A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 138, is the initial contract term.

(4) Minimum Period Charges, described in Sections 2.4.2 and 5.2.7, do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.2 Contract Terms (Cont'd)

(C) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date, as described in Section 5.1.1.

(D) The initial contract term for Contract Offering No. 138 is one (1) year, and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(E) At the conclusion of the initial contract term, Subject Services provided under this Contract Offering No. 138 will be automatically converted to the applicable monthly renewal rate, found in Section 33.138.3 (B). The Customer may terminate Contract Offering No. 138 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 138 upon thirty (30) days written notice any time following the completion of the initial contract term.

(F) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(G) No other discount pricing plans apply.

(H) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 138.

(I) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 138 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.138.2(L). The termination charge for Contract Offering No. 138 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%) (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.2 Contract Terms (Cont'd)

(C) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 138 terminated, and the termination charges described in Section 33.138.2(J) will apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the Non-Recurring Charges (NRCs) to install service as reflected in Section 33.138.3(B).

(D) The Customer may elect to discontinue Contract Offering No. 138 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.138.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity.

(2) The new service is provided to the same end user's premises to which Contract Offering No. 138 was provided.

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 138.

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 138.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.2 Contract Terms (Cont'd)

(C) Contract Offering No. 138 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 138 terminated. If Contract Offering No. 138 is terminated during the initial contract term, the termination charges described in Section 33.138.2(J) will apply.

(D) The Telephone Company will designate the AA+ Transport Service Node from which the service will be provided.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33. 138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.2 Contract Terms (Cont'd)

(C) The AA+ Transport Service Customer is responsible for channel assignments, which include the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.138.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.15(B), and the Service Rearrangement Charge reflected in Section 33.138.3(B) will apply.

33.138.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs, listed in Table A, herein, are one-time charges that apply for specific work activities.

(a) An NRC applies for installation of each AA+ Transport Service and to activate initial DS0 multiplexer cross connects.

(b) An NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.138 Contract Offering No. 138 – Access Advantage Plus Transport Service - One Year Term (Cont'd)

33.138.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(2) Monthly Recurring Charges (MRCs), listed in Table A, below, are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) An MRC applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(A) Rates and Charges

Table A

	MRC	**NRC**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$350.00	$1,000.00	FPAF1	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

(This page filed under Transmittal No. 381)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term

33.139.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects, as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 256 Kbps of capacity. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.139.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(2) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(3) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.139.2 Contract Terms

(A) Contract Offering No. 139 is available during the purchase period which begins November 1, 2007 and ends December 31, 2007.

(B) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 139.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Minimum Period, as described in Section 5.2.6, for Contract Offering No. 139, is the initial contract term.

(4) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(5) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date, as described in Section 5.1.1. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.139.2 Contract Terms (Cont'd)

(E) The initial contract term for Contract Offering No. 139 is two (2) years, and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Subject Services provided under Contract Offering No. 139 will be automatically converted to the applicable monthly renewal rate, found in Section 33.139.3 (B). The Customer may terminate Contract Offering No. 139 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 139 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 139.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 139 prior to the expiration of the initial contract term, a termination charge applies, except as described in Section 33.139.2(L). The termination charge for Contract Offering No. 139 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 139 terminated, and the termination charges described in Section 33.139.2(J) will apply. If a request is made to move AA+ Transport Service to a new location within the end user's premises at which service was originally established, the charge for the move is one-half of the NRC to install service as reflected in Section 33.139.2(B). (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.139.2 Contract Terms (Cont'd)

(L) The Customer may elect to discontinue Contract Offering No. 139 at any time prior to the expiration of the initial contract term without incurring the termination charges described in Section 33.139.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity.

(2) The new service is provided to the same end user's premises to which Contract Offering No. 139 was provided.

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 139.

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 139.

(M) Contract Offering No. 139 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and will be maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 139 terminated. If Contract Offering No. 139 is terminated during the initial contract term, the termination charges described in Section 33.139.2(J) will apply.

(N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.139.2 Contract Terms (Cont'd)

(N) The Telephone Company will designate the AA+ Transport Service Node from which the service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which include the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.139.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B), and the Service Rearrangement Charge reflected in Section 33.139.3(B) will apply.

33.139.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs as listed in Table B, herein, are one-time charges that apply for specific work activities.

(a) An NRC does not apply for installation of each AA+ Transport Service, or to activate initial DS0 multiplexer cross connects.

(b) An NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.139 Contract Offering No. 139 – Access Advantage Plus Transport Service – Two Year Term (Cont'd)

33.139.3 Rate Regulations (Cont'd)

(A) Types of Rates and Charges (Cont'd)

(1) MRCs, listed in Table B, below, are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) An MRC applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

Table B

	MRC	**NRC**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$310.00	$0	FPAF2	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$25.00	N/A		S25

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service – Three Year Term

33.140.1 General Description

(A) Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 High Capacity Special Access Service. AA+ Transport Service includes a DS1 High Capacity Special Access Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and DSO multiplexer cross connects, as described below.

An AA+ Transport Service Node is a Telephone Company designated hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via DSO multiplexer cross connects, which are described in Section 7.2.3(D)(15).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements:

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 256 Kbps of capacity.

(3) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity. (N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.140.1 General Description (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(2) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

(C) AA+ Transport Service is available in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.140.2 Contract Terms

(A) Contract Offering No. 140 is available during the purchase period, which begins November 1, 2007 and ends December 31, 2007.

(B) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's initial contract term or during a renewal term, other than to provisions noted below, apply to Contract Offering No. 140.

(1) The Access Order Charge described in Section 5.2.1(A) does not apply during the initial contract term. The Access Order Charge applies during a renewal term.

(2) The Service Date Change Charge described in Section 5.2.2(A), the Design Change Charge described in Section 5.2.2(B) and the Expedited Order Charge described in Section 5.2.2(C) do not apply during the initial contract term. The Service Date Change Charge, the Design Change Charge and the Expedited Order Charge apply during a renewal term.

(3) The Access Order Cancellation Charge described in Section 5.2.3(B)(3) does not apply to the initial order to install AA+ Transport Service.

(4) The Minimum Period, as described in Section 5.2.6 for Contract Offering No. 140, is the initial contract term.

(5) Minimum Period Charges described in Sections 2.4.2 and 5.2.7 do not apply.

(1) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk and Access Advantage Plus Centrex services that are cross connected to AA+ Transport Service.

(C) Service date intervals for the initial installation of AA+ Transport Service, and requests to rearrange or add DS0 multiplexer cross connects associated with an existing AA+ Transport Service, are negotiated intervals.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.140.2 Contract Terms (Cont'd)

(D) When Telephone Company facilities are available, the negotiated interval for the service date may not exceed ninety (90) days following the Application Date, as described in Section 5.1.1.

(E) The initial contract term for Contract Offering No. 140 is three (3) years, and commences on the service date, which is the date installation of AA+ Transport Service is completed by the Telephone Company. Billing commences on the first day of the initial contract term.

(F) At the conclusion of the initial contract term, Subject Services provided under Contract Offering No. 140 will be automatically converted to the applicable monthly renewal rate, found in Section 33.140.3 (B). The Customer may terminate Contract Offering No. 140 prior to the first renewal term by providing the Telephone Company with written notice of the intent to terminate service no later than thirty (30) days before the initial contract term expires. The Customer or the Telephone Company may terminate Contract Offering No. 140 upon thirty (30) days written notice any time following the completion of the initial contract term.

(G) The monthly rate will not change during the initial contract term or during the successive renewal terms in which service is provided.

(H) No other discount pricing plans apply.

(I) AA+ Transport Service promotions offered in Section 34 may apply to Contract Offering No. 140.

(J) If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 140 prior to the expiration of the initial contract term, a termination charge applies, except as described in 33.140.2(L). The termination charge for Contract Offering No. 140 is fifty (50) percent of the remaining monthly rate payments due for the balance of the initial contract term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%) (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.140.2 Contract Terms (Cont'd)

(K) If the physical location of the end user's premises changes during the initial contract term, the Telephone Company considers Contract Offering No. 140 terminated, and the termination charges described in Section 33.140.2(J) will apply. No charge applies to move AA+ Transport Service to a new location within the end user's premises at which service was originally established.

(L) The Customer may elect to discontinue Contract Offering No. 140 at any time prior to the expiration of the initial contract term, without incurring the termination charges described in Section 33.140.2(J), when all of the following conditions are met:

(1) The Customer establishes a new interstate special access service of equal or greater capacity.

(2) The new service is provided to the same end user's premises to which Contract Offering No. 140 was provided.

(3) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 140.

(4) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 140.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offering (Cont'd)

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service – Three Year Term (Cont'd)

33.140.2 Contract Terms (Cont'd)

(M) Contract Offering No. 140 is not available as a Fiber Advantage DS1 service.

A minimum of four (4) DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's intrastate Access Advantage Plus Integrated Voice Access Lines, Access Advantage Plus Trunk or Access Advantage Plus Centrex services, and will be maintained during the initial contract term and all renewal terms. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the initial contract term or a renewal term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 140 terminated. If Contract Offering No. 140 is terminated during the initial contract term, the termination charges described in Section 33.140.2(J) will apply.

(N) The Telephone Company will designate the AA+ Transport Service Node from which the service will be provided.

(O) The AA+ Transport Service Customer is responsible for channel assignments, which includes the following obligations:

(1) Specify the DS0 channel assignments to connect AA+ Transport Service via DS0 multiplexer cross connects to the DS0 channels derived from other multiplexed high capacity service arrangements.

(2) Designate the consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.140.1(B).

(3) Identify the DS0 channel assignments when rearranging or adding DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(4) Rearranging or adding a DS0 multiplexer cross connect is considered a Service Change as described in Section 5.2.8(B), and the Service Rearrangement Charge reflected in Section 33.140.3(B) applies. (N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offering (Cont'd)

33.140 Contract Offering No. 140 – Access Advantage Plus Transport Service - Three Year Term (Cont'd)

33.140.3 Rate Regulations

(A) Types of Rates and Charges

(1) NRCs, as listed in Table C, below, are one-time charges that apply for specific work activities.

(a) An NRC does not apply for installation of each AA+ Transport Service, or to activate initial DS0 multiplexer cross connects.

(b) An NRC applies on a "per DS0 channel" basis to service rearrangements that add or rearrange DS0 multiplexer cross connects associated with an existing AA+ Transport Service.

(2) MRCs, as listed in Table C, below, are fixed recurring rates that apply each month, or fraction thereof, that AA+ Transport Service is provided. For billing purposes, each month is considered to have thirty (30) days.

(a) An MRC applies during the initial contract term and during a renewal term.

(b) The Special Access Surcharge applies on a per equivalent voice grade channel basis in accordance with Section 7.4.2.

(B) Rates and Charges

Table C

	MRC	**NRC**	**CRIS USOC**	**CABS USOC**
Initial Contract Term	$200.00	$0	FPAF3	1ZZPZ
Renewal Term	$425.00	N/A	TMEAA	1ZZPZ
Service Rearrangement	N/A	$40.00		1ZZPZ
Special Access Surcharge	$ 25.00	N/A		S25

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer

33.141.1 General Description

DS1 and DS3 Service Offer (Contract Offer No. 141) is an access discount plan for which concurrent subscription (N) is required to the following Access Tariffs: Ameritech (Nx) Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 180; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 141; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 37; Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 154; and BellSouth Telecommunications, Inc. (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 54. (Nx)

Contract Offer No. 141 requires eligible Customers to (N) comply with a Minimum Annual Revenue Commitment (MARC), as described in Section 33.141.4(C). The MARC includes recurring revenues from all Contributory Services purchased from the Qualified Companies eligible under this Contract Offer and the concurrently purchased Contract Offers. Contributory Services include both Contributory Subject Services, as listed in Section 33.141.3(A), and Contributory Non-Subject Services, as described in Section 33.141.3(B). Contributory Non-Subject Services are not eligible for credits or other incentives provided under this Contract Offer. All Contributory Services must be purchased through the AT&T wholesale sales channel.

Contract Offer No. 141 is available for subscription from May 9, 2008 through June 9, 2008.

33.141.2 Eligibility Criteria

The Customer must meet the following Eligibility Criteria:

(A) Subject Service must be a pricing flexibility qualified access service, as described in PBTC Tariff F.C.C. No. 1, Section 31. (N)

(x) Issued under Authority of Special Permission No. 08-009 of F.C.C.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.2 Eligibility Criteria (Cont'd)

(B) Contributory Subject Services must be located in the following MSAs:

Bakersfield, CA; Fresno, CA; Los Angeles, et.al., CA; Modesto, CA; Oxnard-Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; San Jose, CA; Santa Rosa, CA; Stockton, CA and Non-MSA, CA.

(C) The Customer must concurrently subscribe to the following Contract Offers: (N)

- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 181; (Nx)
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 154;
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 141;
- SNET Tariff F.C.C. No. 39, Contract Offer No. 37; and
- BellSouth Tariff F.C.C. No. 1, Contract Offer No. 54. (Nx)

(x) Issued under Authority of Special Permission No. 08-009 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.3 Contributory Services

The MARC shall include recurring revenue from all Contributory Services purchased from the Telephone Company, under both this Contract Offer and the concurrently subscribed Contract Offers. Contributory Services include both Contributory Subject Services, listed in Table 1, below, and Contributory Non-Subject Services, listed in Table 2, following.

(A) Contributory Subject Services

Contributory Subject Services are listed in Table 1, below. Contributory Subject Services are eligible for credits and other incentives provided under this Contract Offer.

Table 1:

Contributory Subject Services	
High Capacity Service DS1	PBTC Tariff F.C.C. No. 1, Sections 7 and 31
High Capacity Service DS3	PBTC Tariff F.C.C. No. 1, Sections 7 and 31

(B) Contributory Non-Subject Services

Contributory Non-Subject Services are listed in Table 2, following. Contributory Non-Subject Services shall not be eligible for credits and other incentives provided under this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.3 Contributory Services (Cont'd)

(B) Contributory Non-Subject Services (Cont'd)

Table 2:

Contributory Non-Subject Services[1]	
Optical Carrier Network (OCN) Point to Point (PTP) Service: OC3, OC12, and OC48	AT&T Interstate Access Guidebook, Part 7, Sections 31 & 32
Gigabit Ethernet Metropolitan Area Network (GigaMAN)	AT&T Interstate Access Guidebook, Part 7, Sections 7 & 31
10 Gigabit Ethernet Metropolitan Area Network (DecaMAN)	AT&T Interstate Access Guidebook, Part 7, Sections 23 & 31
Optical Ethernet Metropolitan Area Network (OPT-E-Man)	AT&T Interstate Access Guidebook, Part 7, Section 35

(C) All terms and conditions applicable to Subject Services are provided in their respective tariff sections, except as provided in this Contract Offer.

33.141.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be three (3) years, beginning on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer. This Contract Offer is not renewable.

Upon expiration of this Contract Offer, all Contributory Subject Services will be converted to the prevailing sixty (60) month term plan rates, unless the Customer notifies the Telephone Company, at least one hundred twenty (120) days prior to the end of the Term Period, that Contributory Subject Services will be converted to another tariff term plan. All credits and other incentives provided under this Contract Offer will cease upon expiration of this Contract Offer No. 141. (N)

[1] OCN PTP, GigaMAN, DecaMAN and OPT-E-Man services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.4 Terms and Conditions (Cont'd)

(B) General

(1) The Customer must submit a signed LOS to the Telephone Company.

(2) The Customer shall designate all ACNAs under which Contributory Services may be purchased at the time of subscription. Services ordered or purchased under other ACNAs may not be transferred or converted to this contract.

(3) If the Customer discontinues service or breaches any of the terms and conditions under Contract Offer No. 141 or any of the other concurrently subscribed to Contract Offers, as described in Section 33.141.2, during the Term Period, termination liability charges will apply in accordance with PBTC Tariff F.C.C. No. 1, Section 7.

(4) Subject Services provided pursuant to this Contract Offer are available where facilities and equipment are available. If facilities and equipment are not available, special construction charges may apply, as provided in PBTC Tariff F.C.C. No. 2.

(5) The Customer must remain current on payments on all billing for Contributory Services to receive credits and other incentives provided under this Contract Offer.

(6) The Customer must comply with the MARC, as described in Section 33.141.4(C).

(7) Existing Contributory Subject Services Conversion Incentive

The Customer may convert a maximum of thirty (30) existing DS1 or DS3 services (i.e., services provided by the Qualifying Companies prior to the beginning of the Term Period) across all concurrently subscribed Contract Offers as described in Section 33.141.1, to Contributory Subject Services subject to the rates, terms and conditions of this Contract Offer and the concurrently subscribed Contract Offers. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(8) Purchase of New Contributory Subject Services

The Customer may purchase a maximum of seven hundred fifty (750) new DS1 Subject Services, in total, under this Contract Offer and the concurrently subscribed Contract Offers, as Contributory Subject Services. New DS1 services purchased in excess of the maximum may be Contributory Non-Subject Services for purposes of this Contract Offer and the concurrently subscribed Contract Offers.

The Customer may purchase a maximum of seven hundred fifty (750) new DS3 Subject Services, in total, under this Contract Offer and the concurrently subscribed Contract Offers, as Contributory Subject Services. New DS3 services purchased in excess of the maximum may be Contributory Non-Subject Services for purposes of this Contract Offer and the concurrently subscribed Contract Offers.

(9) If the Customer requests additional service features or functions not included in this Contract Offer, the Customer must pay the applicable tariff rates for those additions, as provided in PBTC Tariff F.C.C. No. 1, Sections 7 and 31.

(10) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(11) The Customer may not include Contributory Subject Services provided under this Contract Offer in any other contract offer, promotional offering or other credit plan, (e.g., MVP), except as expressly permitted in Section (N)
33.141.2(C).

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.4 Terms and Conditions (Cont'd)

(C) Minimum Annual Revenue Commitment (MARC)

(1) Determination of the MARC

The Customer agrees to a MARC of $750,000, or four times the Customer's most recent three months' recurring revenue prior to the beginning of the Term Period, whichever is greater. The Customer's revenue, for purposes of determining and applying the MARC, shall include recurring charges associated with Contributory Services described in Section 33.141.3 and purchased in the MSAs listed in Section 33.141.2(B).

(2) Achievement of the MARC

The Telephone Company will review revenues for Contributory Services within sixty (60) days after the end of each twelve (12) months of the Contract Term Period, beginning at the commencement of the Term Period (each such twelve-month period referred to as a "Term Year"). If, for any Term Year, the Customer's billed recurring revenue for Contributory Services is less than the applicable MARC, the Telephone Company shall bill, and the Customer shall pay, an additional amount equal to the difference between the applicable MARC and the actual revenues for Contributory Services (True-Up Payment).

Example of Annual True Up:

The MARC for each Term Year is $750,000 and total recurring revenue for the year is $700,000. In this example, the Customer must submit a True-Up Payment of $50,000, as calculated below.

$750,000 Annual MARC minus Annual Recurring Revenue of $700,000 equals $50,000 True-up Payment to be paid by the Customer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.4 Terms and Conditions (Cont'd)

(C) Minimum Annual Revenue Commitment (Cont'd)

(3) Continuation of MARC Obligation after Breach or Termination

The Customer's MARC obligation shall survive any breach or termination of this Contract Offer by the Customer. Upon such breach or termination, the Customer shall continue to be liable to the Telephone Company for the amount, if any, by which recurring revenues for Contributory Services provided in the MSAs listed in Section 33.141.2(B) are less than the applicable MARC. Such amount, if any, shall continue to be due and payable on an annual basis for the remainder of the Term Period.

(D) Service Term

(1) Each Contributory Subject Service must be ordered under the applicable sixty (60) month term plan described in PBTC Tariff F.C.C. No. 1, Section 7 or 31. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.4 Terms and Conditions (Cont'd)

(D) Service Term (Cont'd)

(2) Portability Incentive

The Telephone Company will waive any termination liability charges that would otherwise be assessed to the Customer for disconnection of DS1 and DS3 Contributory Subject Services, provided the Customer meets all of the criteria in Section 33.141.4(C). The Telephone Company will bill any applicable termination liability charges within forty-five (45) days after the end of each month during which any DS1 and DS3 Contributory Subject Services have been disconnected.

(a) The Customer must comply with all terms and conditions of this Contract Offer.

(b) Each DS1 or DS3 Contributory Subject Service must have been in service for a minimum of twelve (12) months prior to the date on which the Subject Service is disconnected.

(c) Each DS1 or DS3 Contributory Subject Service must be located within the MSAs listed in Section 33.141.2(B) of this Contract Offer, both before and after the Subject Service is disconnected.

(d) The number of DS1 and DS3 Contributory Subject Services that have been added must be equal to or greater than the number of Subject Services that have been disconnected. To apply this criterion, the Telephone Company will compare the total number of "add" orders of each bandwidth (i.e., DS1 and DS3) to the total number of "disconnect" orders of each bandwidth during the six (6) month period ending with the month under consideration. The Customer will qualify for the Portability Incentive only if the number of "add" orders is at least equal to the number of "disconnect" orders for each bandwidth during that six (6) month period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.5 Rates and Charges

(A) DS1 Rates

The Customer will initially be billed according to the prevailing Monthly Recurring Charges (MRCs) at the time of subscription, listed in Section 7 or 31 of PBTC Tariff F.C.C. No. 1, as applicable to a 60 month term commitment, for DS1 Subject Services in Table 3, below. The Customer will then be credited in an amount equal to five percent (5%) off the prevailing 60 month term rates. Credits will be applied monthly, in arrears.

Table 3:

Channel Termination - Per Point of Termination		
USOC	Zone	Credit on MRCs
TMECS	1	5%
TMECS	2	5%
TMECS	3	5%
Channel Mileage - Fixed		
USOC	Zone	Credit on MRCs
1L5XX	1	5%
1L5XX	2	5%
1L5XX	3	5%
Channel Mileage - Per Mile		
USOC	Zone	Credit on MRCs
1L5XX	1	5%
1L5XX	2	5%
1L5XX	3	5%

Any rate elements for which credits are not provided in this Contract Offer will continue to be billed at the otherwise applicable tariff rates, as described in Tariff Sections 7 and 31. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.5 Rates and Charges (Cont'd)

(B) DS3 Rates

The Customer will initially be billed according to the prevailing Monthly Recurring Charges (MRCs) at the time of subscription, listed in Section 7 or 31 of PBTC Tariff F.C.C. No. 1, as applicable to a 60 month term commitment for DS3 Subject Services in Table 4, below. The Customer will then be credited in an amount equal to five percent (5%) off the prevailing 60 month term rates. Credits will be applied monthly, in arrears.

Table 4:

Channel Termination - Per Point of Termination		
USOC	Zone	Credit on MRCs
Z3MAC/P, Z0MAC/P	1	5%
Z3MAC/P, Z0MAC/P	2	5%
Z3MAC/P, Z0MAC/P	3	5%
Channel Mileage – Fixed		
USOC	Zone	Credit on MRCs
1L5XX	1	5%
1L5XX	2	5%
1L5XX	3	5%
Channel Mileage - Per Mile		
USOC	Zone	Credit on MRCs
1L5XX	1	5%
1L5XX	2	5%
1L5XX	3	5%

Any rate elements for which credits are not provided in this Contract Offer will continue to be billed at the otherwise applicable tariff rates, as described in PBTC Tariff F.C.C. No. 1, Section 31.

(C) Non-Recurring Charges (NRCs):

Standard tariff installation Non-Recurring Charges (NRCs) for new Contributory Subject Services will be waived up to the maximum number of such services, as provided in Section 33.141.4(B)(8), above. Other NRCs will apply as otherwise provided in PBTC Tariff F.C.C. No. 1, Sections 7 and 31. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee, transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee, transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee, transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee, transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.141.6 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.141 Contract Offer No. 141 – DS1 and DS3 Service Offer (Cont'd)

33.141.7 Mergers and Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer

33.142.1 General Description

DS3 Extension Bundle Service Offer is an access discount pricing plan that provides Customers located in the Pricing Flexibility Metropolitan Statistical Areas (MSAs) listed in Section 33.142.2 with a discount on the Monthly Recurring Charges (MRCs) listed in Section 33.142.4. Qualified services listed in Section 33.142.2 must meet the Eligibility Criteria described in Section 33.142.2.

Contract Offer No. 142 is available for subscription from July 31, 2008 to October 31, 2008. This Contract Offer is not renewable. (C)

33.142.2 Eligibility Criteria

(A) This Contract Offer applies to the following pricing flexibility qualified access services as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1 (Subject Services):

DS3 High Capacity Services – Section 7

(B) Contract Offer No. 142 is available for Subject Services located in any of the Pricing Flexibility MSAs listed below:

Bakersfield, CA; Fresno, CA; Los Angeles, et.al., CA; Modesto, CA; Oxnard-Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; San Jose, CA; Santa Rosa, CA; Stockton, CA and Non-MSA, CA.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer (Cont'd)

33.142.2 Eligibility Criteria (Cont'd)

(C) Subject Services must be new installations. Services that were being provided to the Customer by the Telephone Company prior to the Customer's subscription to this Contract Offer are not eligible for this Contract Offer.

(D) This Contract Offer is available only where facilities exist.

(E) DS3 Extension Bundles must terminate on a Dedicated SONET Ring Service (DSRS) Ring[1] provided by the Telephone Company.

(F) This Contract Offer does not apply to DSRS[1] DS3 ports or DS3 services terminated to collocation. (N)

[1]DSRS services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer (Cont'd)

33.142.3 Terms and Conditions

(A) Service Terms for Subject Services

Subject Services shall be subject to a minimum term commitment (Service Term) of twelve (12), thirty-six (36), or sixty (60) months, as applicable to the Rate Stability Plan selected by the Customer for the relevant Subject Service. The Service Term for each Subject Service shall begin on the billing date of that Subject Service.

Upon expiration of the Service Term, the Subject Service(s) shall be provided under the prevailing monthly extension rates described in Sections 7 and 31, unless the Customer:

(1) Selects from the Rate Stability Plan options listed in Sections 7 and 31; or

(2) Disconnects the Subject Service(s).

(B) General Terms and Conditions

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges, and general terms and conditions described in Sections 2, 5, and 13, as applicable.

(2) To subscribe to this Contract Offer, Customers must submit a signed LOS to the Telephone Company.

(3) Within sixty (60) days after submitting its signed LOS, the Customer must submit its access order(s) pursuant to this Contract Offer. The Customer may submit additional access orders to purchase new Subject Services thereafter, provided that all new Subject Services purchased must have an installation completion date on or before December 31, 2008 to be eligible for this Contract Offer. However, Subject Services that are ordered no later than November 30, 2008, but are assigned completion dates beyond December 31, 2008 as a result of Telephone Company reasons, shall be eligible for this Contract Offer. (C)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer (Cont'd)

33.142.3 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(4) If the Customer discontinues service under Contract Offer No. 142 during the Service Term, or if the Customer breaches any term or condition of this Contract Offer or any other applicable tariff provision, termination liability charges will apply in accordance with Section 33.142.7.

(5) This Contract Offer cannot be combined with any other discount, promotional offering or other pricing flexibility contract offer unless explicitly stated in such other discount plan, promotional offering or pricing flexibility contract offer.

(6) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(7) If the Customer requests additional service, features and functions not included in Section 33.142.4, the Customer will pay the tariff rates as contained in Sections 7 and 31, as applicable. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer (Cont'd)

33.142.4 Rates and Charges

(A) Monthly Recurring Charge (MRCs)

The Customer must pay the MRCs, listed below, for new DS3 Extension Bundle Service ordered under this Contract Offer.

Any rate element not described herein will be subject to the applicable tariff rates provided in Sections 7 and 31.

DS3 Service Bundle	USOCs	1 Year Term	3 Year Term	5 Year Term
DS3 Channel Mileage Fixed	1L5XX	$1100	$900	$800
DS3 Channel Mileage Per Mile (1—15 miles only)	1L5XX			
DS3 to DS1 Multiplexer	MQ3/4			

Generally applicable Non-Recurring Charges (NRCs) shall apply.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer (Cont'd)

33.142.5 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B), or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion to determine the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.142 Contract Offer No. 142 – DS3 Extension Bundle Service Offer (Cont'd)

33.142.6 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.142.7 Termination Liability

Subject Services shall be subject to termination liability as provided in this Contract Offer, in lieu of the termination liability language contained in Section 7 for DS3 Service. If the Customer terminates services before the completion of the Term Period for any reason, or if the Customer breaches any of the Terms or Conditions of this Contract Offer or any other applicable tariff provision, the Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination, and are payable as described in Section 7. The Customer's termination liability for cancellation of service shall be equal to one hundred (100) percent of all MRCs for the balance of the Service Term applicable to the relevant Subject Service(s).

Example: A Customer with a $900 DS3 Service Bundle MRC terminates service after two (2) years, and has twelve (12) months remaining in a thirty-six (36) month term plan. The termination liability would be calculated as:

$900 X 12 = $10,800 termination liability charge. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.143 Contract Offer No. 143 - DS3 Service Offer

33.143.1 General Description

DS3 Service Offer is an access discount pricing plan that provides Customers located in the Pricing Flexibility Metropolitan Statistical Areas (MSAs) listed in Section 33.143.2 with a discount on Monthly Recurring Charges (MRCs), as provided in Section 33.143.4. Qualified services listed in Section 33.143.2 must meet the Eligibility Criteria described in Section 33.143.2.

Contract Offer No. 143 is available for subscription from September 11, 2008 to October 11, 2008. This Contract Offer is not renewable.

33.143.2 Subject Services

(A) This Contract Offer applies to the following pricing flexibility qualified access services (Subject Services), as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1:

DS3 High Capacity Services - Section 7

(B) Contract Offer No. 143 is available for Subject Services located in the following Pricing Flexibility MSAs: San Francisco/Oakland, CA and Santa Rosa, CA. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.143 Contract Offer No. 143 – DS3 Service Offer (Cont'd)

33.143.3 Terms and Conditions

(A) Term Period. The term of this Contract Offer (Term Period) shall be seventy-two (72) months.

(B) Service Term. Subject Services shall be subject to a term commitment (Service Term) of sixty (60) months, as applicable to the Rate Stability Plan selected by the Customer for the relevant Subject Service. The Service Term for each Subject Service shall begin on the date billing begins for that Subject Service.

Upon expiration of the Service Term, Subject Service(s) shall no longer be subject to this Contract Offer, but instead shall be provided according to the applicable rates, terms and conditions of Sections 7 and 31, at the prevailing monthly extension rates described in Sections 7 and 31, unless the Customer:

(1) Selects from the Rate Stability Plan options listed in Sections 7 and 31; or

(2) Disconnects the Subject Service(s).

(C) General Terms and Conditions

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges, and general terms and conditions described in Sections 2, 5, and 13, as applicable.

(2) To subscribe to this Contract Offer, Customers must submit a signed LOS to the Telephone Company.

(3) Within thirty (30) days after submitting its signed LOS, the Customer must submit access order(s) to purchase a minimum of 55 and maximum of 61 new DS3 Subject Services pursuant to this Contract Offer. The Customer may submit additional access orders thereafter, provided that all new Subject Services purchased must have an installation completion date on or before November 30, 2008. Notwithstanding anything to the contrary in this Contract Offer, Subject Services that are ordered no later than November 30, 2008, but are assigned completion dates beyond December 31, 2008 as a result of Telephone Company reasons, shall be eligible for this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.143 Contract Offer No. 143 – DS3 Service Offer (Cont'd)

33.143.3 Terms and Conditions (Cont'd)

(C) General Terms and Conditions (Cont'd)

(4) If the Customer discontinues any Subject Service under Contract Offer No. 143 during the applicable Service Term, or if the Customer breaches any term or condition of this Contract Offer or any other applicable tariff provision, termination liability charges will apply in accordance with Section 33.143.7.

(5) This Contract Offer cannot be combined with any other discount, promotional offering or other pricing flexibility contract offer, unless explicitly stated in such other discount plan, promotional offering or pricing flexibility contract offer.

(6) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(7) Subject Services must be new. Services that were being provided to the Customer by the Telephone Company prior to the Customer's subscription to this Contract Offer are not eligible for this Contract Offer.

(8) This Contract Offer is available only where suitable facilities exist.

(9) All Subject Services must terminate on a Dedicated SONET Ring Service (DSRS)[1] provided by the Telephone Company.

(10) This Contract Offer does not apply to services terminated to collocation.

[1]DSRS services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.143 Contract Offer No. 143 – DS3 Service Offer (Cont'd)

33.143.4 Rates and Charges

(A) Monthly Recurring Charge (MRCs)

The MRCs listed below apply to Subject Services.

Any rate elements not described herein will be subject to the applicable tariff rates provided in Sections 7 and 31.

DS3 Rate Element	**USOCs**	**5-Year Term**
DS3 Channel Mileage Fixed	1L5XX	$800
DS3 Channel Mileage Per Miles (1—45 miles only)	1L5XX	
DS3 to DS1 Multiplexer	MQ3/4	

Generally applicable Non-Recurring Charges (NRCs) shall apply to Subject Services. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.143 Contract Offer No. 143 – DS3 Service Offer (Cont'd)

33.143.5 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B), or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion to determine the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.143 Contract Offer No. 143 – DS3 Service Offer (Cont'd)

33.143.6 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.143.7 Termination Liability

Subject Services shall be subject to termination liability as provided in this Contract Offer, in lieu of the termination liability language contained in Section 7 for DS3 Service. If the Customer terminates any Subject Service before the completion of the applicable Service Term, or if the Customer breaches any of the Terms or Conditions of this Contract Offer or any other applicable tariff provision, the Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of termination, and are payable as described in Section 7. The termination liability applicable to each Subject Service shall be equal to $425 per month, per terminated Subject Service, for the balance of each applicable Service Term. If the Customer terminates this Contract Offer, or if the Customer breaches any provision of this Contract offer or any other applicable tariff provision in a manner that affects all Subject Services, termination liability charges shall apply to all Subject Services.

Example: A Customer terminates one (1) Subject Service after four (4) years, and has twelve (12) months remaining in a sixty (60) month Service Term. The termination liability would be calculated as:

$425 x 12 = $5,100 termination liability charge. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.144 Contract Offer No. 144 – DS3 Service Offer

33.144.1 General Description

DS3 Service Offer is an access discount pricing plan that provides Customers located in the Pricing Flexibility Metropolitan Statistical Areas (MSAs) listed in Section 33.144.2 with a discount on Monthly Recurring Charges (MRCs), as provided in Section 33.144.4. Qualified services listed in Section 33.144.2 must meet the Eligibility Criteria described in Section 33.144.2.

Contract Offer No. 144 is available for subscription from September 26, 2008 to October 26, 2008. This Contract Offer is not renewable.

33.144.2 Subject Services

(A) This Contract Offer applies to the following pricing flexibility qualified access services (Subject Services), as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1:

DS3 High Capacity Services – Section 7

(B) Contract Offer No. 144 is available for Subject Services located in the following Pricing Flexibility MSAs: San Francisco/Oakland, CA and Santa Rosa, CA.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.144 Contract Offer No. 144 – DS3 Service Offer (Cont'd)

33.144.3 Terms and Conditions

(A) The term of this Contract Offer (Term Period) shall be seventy-two (72) months.

(B) Subject Services shall be subject to a term commitment (Service Term) of sixty (60) months, as applicable to the Rate Stability Plan selected by the Customer for the relevant Subject Service. The Service Term for each Subject Service shall begin on the date billing begins for that Subject Service.

Upon expiration of the Service Term, Subject Service(s) shall no longer be subject to this Contract Offer, but instead shall be provided according to the applicable rates, terms and conditions of Sections 7 and 31, at the prevailing monthly extension rates described in Sections 7 and 31, unless the Customer:

(1) Selects from the Rate Stability Plan options listed in Sections 7 and 31; or

(2) Disconnects the Subject Service(s).

(C) General Terms and Conditions

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges, and general terms and conditions described in Sections 2, 5, and 13, as applicable.

(2) To subscribe to this Contract Offer, Customers must submit a signed LOS to the Telephone Company.

(3) Within thirty (30) days after submitting its signed LOS, the Customer must submit access order(s) to purchase a minimum of fifty-five (55) and maximum of sixty-one (61) new DS3 Subject Services pursuant to this Contract Offer. The Customer may submit additional access orders thereafter, provided that all new Subject Services purchased must have an installation completion date on or before November 30, 2008. Notwithstanding anything to the contrary in this Contract Offer, Subject Services that are ordered no later than November 30, 2008, but are assigned completion dates beyond December 31, 2008 as a result of Telephone Company reasons, shall be eligible for this Contract Offer.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.144 Contract Offer No. 144 – DS3 Service Offer (Cont'd)

33.144.3 Terms and Conditions (Cont'd)

(C) General Terms and Conditions (Cont'd)

(4) If the Customer discontinues any Subject Service under Contract Offer No. 144 during the applicable Service Term, or if the Customer breaches any term or condition of this Contract Offer or any other applicable tariff provision, termination liability charges will apply in accordance with Section 33.144.7.

(5) This Contract Offer cannot be combined with any other discount, promotional offering or other pricing flexibility contract offer, unless explicitly stated in such other discount plan, promotional offering or pricing flexibility contract offer.

(6) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(7) Subject Services installed on or after June 10, 2008 are eligible for discounts under this contract offer.

(8) This Contract Offer is available only where suitable facilities exist.

(9) All Subject Services must terminate on a Dedicated SONET Ring Service (DSRS)[1] provided by the Telephone Company.

(10) This Contract Offer does not apply to services terminated to collocation.

[1]DSRS services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.144 Contract Offer No. 144 – DS3 Service Offer (Cont'd)

33.144.4 Rates and Charges

(A) Monthly Recurring Charge (MRCs)

The MRCs listed below apply to Subject Services.

Any rate elements not described herein will be subject to the applicable tariff rates provided in Sections 7 and 31.

DS3 Rate Element	USOCs	5-Year Term
DS3 Channel Mileage Fixed	1L5XX	$800
DS3 Channel Mileage Per Miles (1—45 miles only)	1L5XX	
DS3 to DS1 Multiplexer	MQ3/4	

Generally applicable Non-Recurring Charges (NRCs) shall apply to Subject Services.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.144 Contract Offer No. 144 – DS3 Service Offer (Cont'd)

33.144.5 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B), or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion to determine the credit worthiness of the assignee or transferee based on any information available.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.144 Contract Offer No. 144 – DS3 Service Offer (Cont'd)

33.144.6 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.144.7 Termination Liability

Subject Services shall be subject to termination liability as provided in this Contract Offer, in lieu of the termination liability language contained in Section 7 for DS3 Service. If the Customer terminates any Subject Service before the completion of the applicable Service Term, or if the Customer breaches any of the Terms or Conditions of this Contract Offer or any other applicable tariff provision, the Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of termination, and are payable as described in Section 7. The termination liability applicable to each Subject Service shall be equal to $425 per month, per terminated Subject Service, for the balance of each applicable Service Term. If the Customer terminates this Contract Offer, or if the Customer breaches any provision of this Contract offer or any other applicable tariff provision in a manner that affects all Subject Services, termination liability charges shall apply to all Subject Services.

Example: A Customer terminates one (1) Subject Service after four (4) years, and has twelve (12) months remaining in a sixty (60) month Service Term. The termination liability would be calculated as:

$425 x 12 = $5,100 termination liability charge.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.145 Contract Offer No. 145 – Special Access Service Offer

33.145.1 General Description

Special Access Service Offer (Contract Offer No. 145) is an access discount pricing plan for which concurrent subscription is required to the following Access Tariffs: (N) Ameritech Operating Companies (Ameritech) Tariff F.C.C. (Nx) No. 2, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39. Contract Offer No. 145 is available to any Customer with at least $23 million (Nx) in cumulative annual recurring revenue for Contributory (N) Services, as defined in Sections 33.145.3(A) and 33.145.3(B), for purchases from the Telephone Company and the affiliated companies identified in Section 33.145.2(D). The Customer must meet the Eligibility Criteria set forth in Section 33.145.2, and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 145 requires the Customer to establish and comply with a Minimum Annual Revenue Commitment (MARC) for each year of the three (3) year Term Period, as defined in Section 33.145.5(A). The MARC shall include all Contributory Services purchased from the Telephone Company and from the affiliated telephone companies identified in Section 33.145.2(D) of this Contract Offer. Contributory Services include Subject Services, as described in Section 33.145.3(A), and Non-Subject Services, as described in Section 33.145.3(B), herein. Non-Subject Services are not eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the AT&T wholesale sales channel (AT&T Wholesale Services).

Contract Offer No. 145 will only be available December 6, 2008 through January 6, 2009. (N)

(x) Issued under Authority of Special Permission No. 08-024 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.2 Eligibility Criteria

(A) To be eligible to subscribe to this Contract Offer, the Customer may not purchase services pursuant to MVP Offering in Section 22 or any other MARC-based contract offer or contract that includes Subject Services provided under this Contract Offer

(B) During the calendar year prior to the Customer's subscription to this Contract Offer, the Customer's billed recurring charges for Switched Access Dedicated Transport Services shall have been no greater than $125,000.

(C) As of the date of the Customer's subscription to this Contract Offer, the Customer must be purchasing OPT-E-MAN Service from the Telephone Company in two or more MSAs.

(D) Concurrent Subscription

The Customer must concurrently subscribe to the following Contract Offers: (N)

(1) Ameritech Tariff F.C.C No. 2, Section 22, Contract Offer No. 183; (Nx)

(2) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 157; and

(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 40. (Nx)

(x) Issued under Authority of Special Permission No. 08-024 of F.C.C.

[1]Opt-E-MAN services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.3 Contributory Services

The Customer's revenues for purposes of determining the achievement of the MARC shall include eligible Contributory Services provided under this Contract Offer and the other contract offers to which concurrent subscription is required by Section 33.145.2(D). Contributory Services include Subject Services, as listed in Table 1, below, in addition to Non-Subject Services, as listed in Table 2, below.

Subject Services and Non-Subject Services shall together be known as Contributory Services for the purposes of this Contract Offer. The Customer's revenue, for purposes of determining the achievement of the MARC, includes recurring revenue from all Contributory Services, as listed in Tables 1 and 2, herein, and the equivalent services provided by the affiliated telephone companies listed in Section 33.145.2(D) of this Contract Offer.

(A) Subject Services

Contract Offer No. 145 applies to pricing-flexibility-qualified access services (Subject Services) contained in the following tariff sections as listed in Table 1, below:

Table 1

Service	General Description	Rates & Charges Phase I	Rates & Charges Phase II
Special Access DS1 Services	7.2.9	7.5.9	31.5.2.7
Special Access DS3 Services	7.2.9	7.5.9	31.5.2.7
Special Access Metallic Service	7.2.1	7.5.1	31.5.2.1
Special Access Telegraph Grade Service	7.2.2	7.5.2	31.5.2.2
Special Access Voice Grade Service	7.2.3	7.5.3	31.5.2.3
Switched Access Dedicated Transport Services	6.7		

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.3 Contributory Services (Cont'd)

(A) Subject Services (Cont'd)

Contract Offer No. 145 applies to Subject Services (as listed above) located in the following Metropolitan Statistical Areas (MSAs):

(1) The rates, Terms and Conditions of this Contract Offer shall apply to all Channel Terminations and Interoffice (Channel) Mileage, both Fixed and Per Mile associated with Subject Services, including Channel Terminations between the Telephone Company's end office and an end user premises (End User Channel Terminations) in the following MSAs:

Fresno, CA; Los Angeles – Long Beach, CA; San Jose, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(2) The rates, Terms and Conditions of this Contract Offer shall apply to Channel Terminations, Interoffice (Channel) Mileage - Fixed and Per Mile associated with Subject Services, except for End User Channel Terminations, in the following MSAs:

Modesto, CA; Bakersfield, CA; and Non-MSA, CA.

(3) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer, pursuant to this Contract Offer and available in those additional MSAs, may, at the Customer's option, be included in this Contract Offer beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Subject Services, as described in Section 33.145.5. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.3 Contributory Services (Cont'd)

(B) Non-Subject Services

Non-Subject Services shall be included in the MARC, but shall not otherwise be subject to the rates, Terms and Conditions of this Contract Offer. Non-Subject Services are listed in Table 2, below.

Table 2 – Non-Subject Services

Intrastate Special Access	Equivalent VG, DS0, DS1, DS3, Services
Includes all Recurring Charges and excludes Non-Recurring Charges associated with the products listed, where applicable, for all non-pricing flexibility qualified services.	

If the Telephone Company introduces a new Special Access or Switched Access service, or an enhancement to an existing Special Access or Switched Access service, then such services shall be automatically included as Contributory Services, and the Customer's purchases of such new or enhanced Contributory Services shall be included in the calculation of the MARC, subject to the Terms and Conditions set forth in this Contract Offer.

All terms and conditions for the Contributory Services listed above are governed by their respective tariff sections, except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 33.145.5. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.4 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) is three (3) years, commencing on the date the Telephone Company receives a Letter of Subscription (LOS). The Anniversary Date shall be the same date in each of the following two (2) years. Contract Offer No. 145 is not renewable.

(B) Other Terms and Conditions.

(1) Contributory Services are subject to certain rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. Tariff No. 1, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) Contract Offer No. 145 is available for subscription only from December 6, 2008 to January 6, 2009.

(3) The Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company. The LOS shall identify all ACNAs under which the Customer may order and purchase Contributory Services or Subject Services pursuant to this Contract Offer. Any services ordered or purchased under ACNAs not identified in the LOS may not be included in or transferred to this Contract Offer.

(4) The Customer shall not purchase Subject Services in this Contract Offer pursuant to any future contract offer or other agreement, unless the future contract offer or other agreement expressly permits the inclusion of such Subject Services.

(5) Commingling, as defined in PBTC Tariff F.C.C. No. 1, Section 2.6 of Subject Services under this Contract Offer, is prohibited. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.4 Terms and Conditions (Cont'd)

(B) Other Terms and Conditions (Cont'd)

(6) The Customer must pay billed charges in full throughout the Term Period, excluding amounts properly disputed. Disputed amounts will not be counted toward the Customer's satisfaction of the MARC. The Telephone Company will exhaust its remedies under PBTC Tariff F.C.C. No. 1, Section 2.4 before exercising any remedy under this Section. The Telephone Company will provide the Customer written notice (via registered letter) of non-compliance. The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period, or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, following that period, the Parties have exhausted attempts to resolve any pending disputes, or the Parties have resolved disputes and the Customer does not comply with written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 33.145.10, will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in PBTC Tariff F.C.C. No. 1, Section 2.4.

(7) The Customer will continue to receive the benefit of rate stability, if any, for any existing Subject Services currently under a term payment plan with the Telephone Company as provided for in the applicable tariff section from which the Subject Services were purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 - Special Access Service Offer (Cont'd)

33.145.4 Terms and Conditions (Cont'd)

(B) Other Terms and Conditions (Cont'd)

(8) If the Customer previously subscribed to PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 109, the Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to Contract Offer No. 109 as a result of the migration of Subject Services from Contract Offer No. 109 to this Contract Offer. Termination liability charges shall otherwise apply according to the terms of any applicable tariff. The Customer may migrate to this Contract Offer only services provided to the Customer under those ACNAs included in the Customer's LOS for the Contract Offer No. 109. Services purchased under other ACNAs or transferred from other ACNAs shall not be included in this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.5 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to establish and comply with a Minimum Annual Revenue Commitment (MARC) for each year of the Term Period, as defined in Section 33.145.5(A). The MARC shall include all Contributory Services purchased from the Telephone Company available under this Contract Offer, or from the affiliated companies identified in Section 33.145.2(D).

(A) Establishing the MARC

(1) The Customer's Year 1 MARC, upon subscription to this Contract Offer, shall be $23 million, or four (4) times the Customer's most recent three (3) months' recurring revenue prior to the beginning of the Term Period, whichever is greater.

(2) The MARC will be re-established, effective on each Anniversary Date, beginning on the first anniversary. The MARC for Years 2 and 3 will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the last three (3) months of the preceding year of the Term Period, multiplied by four (4), or the then-current MARC, whichever is greater.

Example 1: Term Period begins on January 1, 2009. The Year 1 MARC is established upon subscription at $23 million. The Customer's actual revenue from October 1, 2009 to December 31, 2009 is $6 million. The new Year 2 MARC, effective January 1, 2010, is $24 million ($6 million multiplied by 4 equals $24 million.)

Example 2: The Year 2 MARC is $24 million. The Customer's actual revenue to the Telephone Company from October 1, 2010 to December 31, 2010 is $5.5 million. The new Year 3 MARC, effective December 1, 2010, is $24 million. (The $24 million MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.) (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Inclusion of Subject Services

(1) Revenues included in the MARC are limited to the following:

(a) Monthly billed recurring revenues, including (net of) any credits or discounts given under existing pricing plans (e.g., Term Payment Plan or Commitment Discount Plan), if applicable, for the Subject Services provided during the Term Period; or

(b) Any credits and adjustments made to monthly billed amounts for Subject Services which are purchased by the Customer during the Term Period.

All charges other than those listed in Section 33.145.5(B)(1) are excluded from the MARC.

(C) Inclusion of Additional Contributory Services

The Customer may, at its option, include in this Contract Offer any Contributory Services previously being provided to the Customer by the Telephone Company pursuant to an intrastate tariff, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 33.145.5.

Example Year 1 MARC = $23 million. If, during Year 1, Customer wishes to include $2 million of annual spend currently purchased from the Telephone Company under another tariff or contract offer, and if those services qualify as Contributory Services, the new Year 1 MARC is $25 million. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(D) Failure to Achieve the MARC

(1) The Customer and the Telephone Company shall exchange information quarterly, and shall meet quarterly, if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company will meet in the ninth month of each year of the Term Period to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date.

(2) If the Customer fails to comply with the MARC for any year during the Term Period, determined as of the Anniversary Date, the Customer will be required to remit an Annual True-up payment equal to the difference between the MARC and the Customer's actual billed recurring revenue for Contributory Services. The True-up calculation will be performed as follows:

MARC – Actual annual recurring revenues for Contributory Services = Annual True-up Amount

If the Customer fails to submit its Annual True-Up payment to the Telephone Company within thirty (30) days after notification by the Telephone Company, the Customer shall be deemed to have terminated its Contract Offer No. 145, and termination charges will apply as set forth in Section 33.145.10. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.6 Discounts and Other Credits

(A) Discount Schedule and Application

On each Anniversary Date, if the Customer has complied with the MARC and is otherwise in compliance with this Contract Offer, the Customer shall be eligible to receive an annual Billing Credit of seven and one-half (7.5) percent of the Annual Recurring Charges for Subject Services, up to a maximum of $2,250,000. Billing Credits will be applied to the Customer's bill no later than ninety (90) days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription will not be eligible for Billing Credits, unless and until such services have been made Additional Contributory Services as provided by this Contract Offer.

MARC levels will be rounded up or down to the nearest $10,000.

Example: If the Customer meets the minimum MARC of $23 million for the sum of all Contributory Services, and has Subject Services revenue of $19,584,000, the Customer will be eligible to receive a credit of $1,489,050.

$19,854,000 X 7.5% = $1,489,050

33.145.7 Non-Recurring Charges

(A) Conversion of Existing and UNE Services

The Telephone Company will waive installation non-recurring charges (NRCs) associated with the conversion of UNEs or existing special access services to Subject Services purchased pursuant to this Contract Offer, except for Access Order charges.

In addition, the Telephone Company will waive NRCs associated with the conversion of existing UNE circuits which are converted to Special Access Services under the terms of this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.7 Non-Recurring Charges (Cont'd)

(B) New Subject Services

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract offer, except for Access Order Charges.

(C) To receive credits for installation NRCs as defined in 33.145.7(B), the Customer must be in compliance with all Terms and Conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 33.145.5(A), and/or fails to pay the Annual True-Up as defined in Section 33.145.5(D), termination liability charges will apply as set forth in Section 33.145.10.

(D) In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

The Customer must pay all other applicable non-recurring charges, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC Tariff F.C.C. No. 1, Section 5 for Subject Services pursuant to this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.8 Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits, or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer;

(B) The Customer shall be permitted to move and/or disconnect Subject Services from any of the identical Contract Offers, as described in Section 33.145.2(D);

(C) DS1 Subject Services must have been in service for a minimum of one (1) month from the original installation date; and

(D) DS3 Subject Services must have been in service for a minimum of one (1) year from the original installation date.

33.145.9 Mergers and Acquisitions Involving the Customer

The Terms and Conditions of this Contract Offer shall continue in full force and in effect notwithstanding any merger or acquisition affecting the Customer or the Telephone Company. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.10 Termination Liability

(A) Termination Liability Charges

Termination liability language, described below, applies in lieu of the termination liability language described in PBTC Tariff F.C.C. No. 1, Section 7. If the Customer terminates Contract Offer No. 145 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification ninety (90) days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer. If the Customer fails to meet any of the eligibility criteria in Section 33.145.2, or fails to meet any of the Terms and Conditions in Section 33.145.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 145, and termination liability charges will apply, as stated below, and will be payable pursuant to PBTC Tariff F.C.C. No. 1, Section 2.4.

The Customer's termination liability charge shall be equal to the following: If the Customer terminates the Contract Offer prior to the expiration of a term year, one-hundred (100) percent of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 145 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 12.5 percent of the Year 1 MARC for the remaining portion of Year 1, plus 12.5 percent of the Year 1 MARC for the remaining years of the Term Period.

(2) If terminated in Year 2, 12.5 percent of the Year 2 MARC for the remaining portion of Year 2, plus 12.5 percent of the Year 2 MARC for Contact Year 3.

(3) If terminated in Year 3, 10 percent of the Year 3 MARC for the remaining portion of Contract Year 3. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.145 Contract Offer No. 145 – Special Access Service Offer (Cont'd)

33.145.10 Termination Liability (Cont'd)

(B) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer, or other contract or tariff arrangement, to purchase the new service offerings from the Telephone Company in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer, or other contract or tariff governing the new service offerings, must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(C) This Section 33.145.10 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 145, except for charges due and payable for Contributory Services rendered prior to the date of termination, and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 33.145.7 and 33.145.10. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.146 Contract Offer No. 146 – Access Service Offer

33.146.1 General Description

The Access Service Offer (Contract Offer No. 146) is an access discount plan for which concurrent subscription (N) is required to the following Access Tariffs: Nevada (Nx) Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 19; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 146; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 41; and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 160 (collectively, the "Concurrently Subscribed Contract Offers"). NBTC, PBTC, SNET and SWBT shall be identified herein as the "Qualified Companies." (Nx)

(N)

Contract Offer No. 146 requires eligible Customers to maintain a Minimum Annual Revenue Commitment (MARC), as defined in Section 33.146.5, for each Term Year of the Term Period. Contract Offer No. 146 is available to any Customer who commits to a MARC of $385 million, in the aggregate, under this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers. The MARC consists of recurring revenues from, in the aggregate, all MARC-eligible Services purchased from Pacific Bell Telephone Company ("PBTC" or "Telephone Company") which are eligible for inclusion in the MARC under this Contract Offer No. 146, and the MARC-eligible services as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers described in Section 33.146.3(D).

MARC-eligible Services provided by the Telephone Company shall include Subject Services, as described in Section 33.146.2(A), and Non-Subject Services, as described in Section 33.146.2(B). Non-Subject Services are not eligible for the discounts and other incentives provided under this Contract Offer No. 146.

Contract Offer No. 146 will be available for subscription only from December 11, 2008 through January 11, 2009. This offer is not renewable. (N)

(x) Issued under Authority of Special Permission No. 08-025 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.2 MARC-eligible Services

The MARC shall include recurring revenue from, in the aggregate, all MARC-eligible Services purchased from the Telephone Company under this Contract Offer No. 146, and the recurring revenue from MARC-eligible services as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers. MARC-eligible Services include both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below.

(A) Subject Services

Subject Services are listed in Table A, below. Subject Services are eligible for discounts and other incentives provided under this Contract Offer No. 146.

Table A – Subject Services

Subject Services	
Interstate Special Access	VG, DDOV, DS0, DS1, DS3, BCS, SRAS
Interstate Switched Transport	Entrance Facility, Direct Transport
Includes Recurring Charges associated with the products listed, where applicable, for all services located in Pricing Flexibility Metropolitan Statistical Areas (MSAs).	

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.2 MARC-eligible Services (Cont'd)

(B) Non-Subject Services

Non-Subject Services are listed in Table B, below. Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer No. 146.

Table B – Non-Subject Services

Non-Subject Services	
Interstate Special Access	AVS-270 Video Service,OCN PTP, DSRS, MON, GigaMAN, DecaMAN®, WaveMAN℠, Opt-E-MAN[1]
Interstate Switched Transport	Entrance Facility, Direct Transport
Intrastate Special Access	Equivalent services as Interstate Special Access above if available
Intrastate Switched Access	Equivalent services as Interstate Switched Access above if available.
Includes all Recurring Charges associated with the products listed, where applicable, for all non-pricing flexibility qualified services.	

If additional services are made available under PBTC Tariff F.C.C. No. 1 which were not available as of the effective date of this Contract Offer No. 146, any billed, recurring revenues for such additional services will be included in this Contract Offer No. 146 for the purpose of performing calculations to determine the achievement of the MARC pursuant to this Contract Offer No. 146.

All terms and conditions for the MARC-eligible Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 146. (N)

[1]AVS-270 Video Service, OCN PTP, DSRS, MON, GigaMAN, DecaMAN®, WaveMAN℠, and Opt-E-MAN services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 146:

(A) Contract Offer No. 146 is available for qualified access services located in the Pricing Flexibility MSAs where the Telephone Company has been granted pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31. During the Term Period of this Contract Offer No. 146, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services eligible for the discounts under this Contract Offer No. 146.

(B) The MARC-eligible Services must be located within the "Operating Territory" of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory).

(C) The Customer must have billed, recurring revenues sufficient to establish a MARC of $385 million for, in the aggregate, MARC-eligible Services, as defined in Section 33.146.2, and MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers described in Section 33.146.3(D).

(D) Concurrently Subscribed Contract Offers - The Customer must concurrently subscribe to the following Contract Offers: (N)

- NBTC Tariff F.C.C. No. 1, Contract Offer No. 19; (Nx)
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 146;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 160; and
- SNET Tariff F.C.C. No. 39, Contract Offer No. 41. (Nx)

(x) Issued under Authority of Special Permission No. 08-025 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 146:

(A) Subscription

To subscribe to Contract Offer No. 146, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all of the Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer No. 146 (Eligible ACNAs). Services ordered or purchased under other ACNAs may not be transferred or converted for inclusion under this Contract Offer No. 146, except as described in Section 33.146.4 (O), below.

(B) Term Period

The term of this Contract Offer No. 146 (Term Period) shall be twenty-four (24) months, beginning on the date the Letter of Subscription (LOS) is signed by the last of the Customer and the Telephone Company (Effective Date), subject to extensions as provided in this Section, below. Each twelve (12) month period, beginning on the Effective Date, shall be a Term Year.

The Term Period will automatically be extended by two (2) consecutive one-year extension periods unless the Customer elects to terminate this Contract Offer No. 146, by providing to the Telephone Company written notice of termination of this Contract Offer No. 146, in accordance with the Terms and Conditions of this Contract Offer No. 146, at least sixty (60) days prior to the expiration of the initial twenty-four (24) months of the Term Period, or with respect to the second extension, at least sixty (60) days prior to the expiration of the first extension period. If the Customer fails to provide such notice, the Term Period shall continue until the expiration of the first extension period or the expiration of the second extension period, as applicable. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.4 Terms and Conditions (Cont'd)

(C) The Customer must establish a $385 million MARC for, in the aggregate, MARC-eligible Services, as defined in Section 33.146.2, and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers as described in Section 33.146.3(D).

(D) The Customer agrees to a MARC of $385 million during each Term Year of this Contract Offer No. 146, subject to Section 33.146.4(L), below. Revenues eligible to be included in the MARC shall be billed recurring charges for, in the aggregate, all MARC-eligible Services, as listed in Section 33.146.2 of this Contract Offer No. 146, and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, as described in Section 33.146.3(D). The Customer's revenues, for purposes of determining the achievement of the MARC, shall specifically exclude non-recurring charges, usage based charges and temporary service charges.

(E) The Telephone Company will review revenues for MARC-eligible Services and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, within sixty (60) days after the end of each quarter (each three consecutive months beginning with the first, fourth, seventh or tenth month of a Term Year) during the Term Period (Quarterly True-Up Process), as further provided in Section 33.146.6(F), below.

(F) Credits earned by the Customer under this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 33.146.6(A), below, and in the analogous section of the other Concurrently Subscribed Contract Offers.

(G) Contract Offer No. 146 Credits are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's tariffs, except that billed, recurring revenues, which are discounted under this Contract Offer No. 146, are not eligible to be included in the Managed Value Plan (MVP) offered in PBTC Tariff F.C.C. No. 1, Section 22, nor are billed, recurring revenues under MVP eligible for discounts under this Contract Offer No. 146. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.4 Terms and Conditions (Cont'd)

(H) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No. 146.

(I) Purchase of Long Distance Voice Services:

During the Term Period of this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers, the Customer must commit to purchase an average of $90 million in recurring billed revenues for each completed Term Year in a single long distance voice service from an affiliate of the Telephone Company, including, but not limited to, ABN/OneNet[2] measured from the Effective Date of this Contract Offer No. 146 to the end of each Term Year.

If the Customer fails to commit to purchase at least the minimum required quantity of long distance voice services, or its commitment expires or is terminated for reasons other than an uncured material breach by the Telephone Company affiliate, then effective beginning on the first day on which there is no such long distance voice commitment and continuing through the end of the Term Period, including any extensions of the Term Period under Section 33.146.4(B), above, the Telephone Company shall terminate this Contract Offer No. 146 other than this Contract Offer No. 146 without charging termination liability pursuant to this Contract Offer No. 146. (N)

[2]ABN/OneNet services are provided on a contractual basis outside of the tariff, including all terms and conditions. Rates, terms and conditions associated with ABN/OneNet services are available at www.new.serviceguide.att.com.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.4 Terms and Conditions (Cont'd)

(J) This Contract Offer No. 146 is available December 11, 2008 through January 11, 2009.

(K) Commingling (as defined in PBTC Tariff F.C.C. No. 1, Section 2.6) of Subject Services provided pursuant to this Contract Offer No. 146 is prohibited.

(L) Additional ACNAs and Service Transfers

(1) Services provided to the Customer under ACNAs other than those designated by the Customer, as provided in Section 33.146.4(A) (Eligible ACNAs), may be included in this Contract Offer No. 146, and Customer may transfer any service from such additional ACNAs to Eligible ACNAs, upon 30-day written notice by the Customer, provided that any services so included or transferred qualify as MARC-eligible Services, as defined in Section 33.146.2 of this Contract Offer No. 146.

(2) If services provided to the Customer under ACNAs other than Eligible ACNAs (Other ACNAs) are included in this Contract Offer No. 146, or if services are transferred from Other ACNAs to Eligible ACNAs, the MARC shall be increased to reflect such inclusion or transfer. The amount by which the MARC is increased shall be equal to the billed monthly recurring charges applicable to the services included in or transferred to this Contract Offer No. 146 (Revenue Transferred In) times: (a) the number of months remaining in the current Term Year, for purposes of determining the MARC for the current Term Year, and/or (b) twelve (12), for purposes of determining the MARC for each Term Year thereafter. Notwithstanding the foregoing, for purposes of determining Monthly MARC Credit and Above MARC Credit, the amount by which the MARC is increased shall be equal to the billed monthly recurring charges for the services included in or transferred to this Contract Offer No. 146 times twelve (12) for all Term Years. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.4 Terms and Conditions (Cont'd)

(L) Additional ACNAs and Service Transfers (Cont'd)

(3) If any services included in or transferred to this Contract Offer No. 146 under Sections 33.146.4(L)(1) and 33.146.4(L)(2) were, immediately prior to such inclusion or transfer, being purchased under a Term Payment Plan (TPP), as provided in the PBTC Tariff F.C.C. No. 1, such services may be converted to any applicable month-to-month rate, term pricing plan or other discount or credit plan in an PBTC Tariff F.C.C. No. 1, effective at the time of such inclusion or transfer. If, as a result of such conversion, termination liability charges apply to the included or transferred services according to the terms and conditions of the PBTC Tariff F.C.C. No. 1, the Telephone Company shall issue credits to the Customer in an amount equal to the applicable termination liability charges. Such credits shall be applied to the Customer's billing for Subject Services under this Contract Offer No. 146.

(4) At the time any additional services are included in this Contract Offer No. 146 or transferred from Other ACNAs to Eligible ACNAs, the Customer shall be permitted to upgrade such services or to subscribe such services to any applicable term payment plan or other discount pricing or credit plan available in the PBTC Tariff F.C.C. No. 1, if such upgrade or subscription is permitted by the applicable tariff provisions.

(5) Revenue Transferred In shall be determined according to the monthly recurring charges applicable to the included or transferred services after taking into account the implementation of any upgrade or subscription to any term payment plan or other discount pricing or credit plan under Section 33.146.4(L)(4), above. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 - Access Service Offer (Cont'd)

33.146.4 Terms and Conditions (Cont'd)

(L) Additional ACNAs and Service Transfers (Cont'd)

(6) Removal or Transfer Out

If services provided to the Customer under Eligible ACNAs are removed from this Contract Offer No. 146, or if services are transferred from Eligible ACNAs to Other ACNAs, the MARC shall be decreased to reflect such removal or transfer. The amount by which the MARC is decreased shall be equal to the billed monthly recurring charges for the services removed from or transferred out of this Contract Offer No. 146 (Revenue Transferred Out) times either (a) the number of months remaining in the current Term Year, for purposes of determining the MARC for the current Term Year, or (b) twelve (12), for purposes of determining the MARC for each Term Year thereafter. Notwithstanding the foregoing, for purposes of determining Monthly MARC Credit and Above MARC Credit, the amount by which the MARC is decreased shall be equal to the billed monthly recurring charges for the services included in or transferred to this Contract Offer No. 146 times twelve (12) for all Term Years. This Section 33.146.4(L)(6) applies only to Subject Services that were previously transferred to or included in this Contract Offer No. 146 under Sections 33.146.4(L)(1) and 33.146.4(L)(2).

(7) Revenue Transferred Out shall be determined according to the monthly recurring charges applicable to the removed or transferred services during the month prior to such removal or transfer.

(8) The Customer may not include, remove and/or transfer services pursuant to Sections 33.146.4(L)(1), 33.146.4(L)(2) and/or 33.146.4(L)(6) of this Contract Offer No. 146 more frequently than once every six (6) months. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.5 Minimum Annual Revenue Commitment (MARC)

(A) MARC Establishment

The Customer must establish a $385 million MARC for, in the aggregate, (i) MARC-eligible Services purchased from the Telephone Company, as defined in Section 33.146.2, and (ii) MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, as described in Section 33.146.3(D). Except as otherwise provided in this Contract Offer No. 146, the Customer must comply with the $385 million MARC during each Term Year of this Contract Offer No. 146.

(B) MARC Achievement Calculations

Achievement of the MARC shall be determined according to the recurring revenue attributable to (i) MARC-eligible Services (defined in Section 33.146.2), as billed by the Telephone Company, plus any applicable True-up Amounts, as provided in Section 33.146.6(F); and (ii) MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, plus any applicable True-up Amounts provided for therein. Recurring revenue from MARC-eligible Services shall include MARC-eligible Services purchased by the Customer, both as of the Effective Date and subsequently during the Term Period. To be included in the MARC Achievement Calculations, all recurring revenue must be billed under the MARC-eligible ACNAs, as defined in Sections 33.146.4(A) and 33.146.4(L).

(C) Failure to Achieve the MARC

If the Customer fails to achieve the MARC as determined in the Quarterly True-up Process, the Telephone Company shall apply a True-up Amount to the Customer's bills for Subject Services, as provided in Section 33.146.6(F). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits

(A) Monthly Credits

For each month of the Term Period, the Customer may be eligible for the following types of credits under this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers (collectively "Monthly Credits"), as further provided below:

Monthly MARC Credit;
Above MARC Credit; and
Non-Recurring Charges (NRCs) Credit.

The aggregate amounts of Monthly MARC Credits and Above MARC Credits under this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers shall be as provided in Table C. The Monthly Credits shall be divided among this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for the MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services in each of the other Concurrently Subscribed Contract Offers. The Telephone Company will post Monthly Credits, if applicable, so attributed to this Contract Offer No. 146 to the Customer's invoices for Subject Services, beginning with the first full month following the Effective Date. The Telephone Company shall post Credits sixty (60) days in arrears. Credits shall not be posted if the Customer is in material breach of this Contract Offer No. 146, or in material breach of the terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer.

Table C:

Term Year	Monthly MARC Credit (shown as % of Monthly MARC)	Above MARC Credit
Year 1	10.0%	16.0%
Year 2	10.5%	16.0%
Extension Year 1	11.0%	16.0%
Extension Year 2	12.0%	16.0%

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(B) Monthly MARC Credit

The Telephone Company shall post the portion of a Monthly MARC Credit so attributed to this Contract Offer No. 146 to the Customer's monthly invoices for Subject Services, for each month in which the Customer's aggregate revenue for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, meets or exceeds one-twelfth of the MARC (Monthly MARC). The Monthly MARC Credit, in the aggregate, shall be equal to the percentage set forth in Table C for the applicable Term Year times the Monthly MARC, and then proportionately applied among this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers, as described in Section 33.146.6(A).

(C) Above MARC Credit

The Telephone Company shall post the portion of an Above MARC Credit so attributed to this Contract Offer No. 146 to the Customer's monthly invoices for Subject Services, for each month in which the Customer's aggregate revenue for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, exceeds the Monthly MARC. The Above MARC Credit, in the aggregate, shall be equal to the percentage set forth in Table C for the applicable Term Year times the amount, if any, by which the Customer's recurring aggregate revenues for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, exceed the Monthly MARC, and then proportionately applied among this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers, as described in Section 33.146.6(A). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(D) Above MARC Credit Review

Upon completion of each Term Year, the Telephone Company shall review the Customer's total recurring revenues for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, and total Above MARC Credits applied during that Term Year under this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers, and shall issue credits or debits as necessary for the purpose of adjusting the total Above MARC Credits issued for the Term Year to the amount that would have been issued had Above MARC Credits been issued in a lump sum for the entire Term Year. Such adjustments shall be performed as follows: (i) if the total Above MARC Credits issued during the Term Year are less than the product of the total recurring revenue for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, during the Term Year (not including any applicable True-up Amount or True-up Refund, as provided in Section 33.146.6(F), below) times the applicable percentage listed in Table C (Earned MARC Credits), the Qualified Companies shall issue additional Above MARC Credits which, in the aggregate, equal to the difference between the Earned MARC Credits and the total Above MARC Credits previously issued for that Term Year; and (ii) if the total Above MARC Credits issued for that Term Year are greater than the Earned MARC Credits, the Qualified Companies shall issue a debit(s) to the Customer which, in the aggregate, equals the amount of the difference. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(E) Non-Recurring Charges (NRCs) Waiver or Credit

The Telephone Company shall waive all non-recurring charges (NRCs) associated with the initial installation of Subject Services for which the Application Date (App Date) of the applicable Access Service Request (ASR) is during the Term Period. In addition, the Telephone Company shall issue credits to the Customer in the amount of all NRCs associated with the initial installation of Non-Subject Services for which the App Date of the applicable ASR is during the Term Period. Relevant NRCs for Non-Subject Services shall initially be billed as incurred. The Telephone Company will issue credits to the Customer in arrears, on a quarterly basis, in the amount equal to the total of such NRCs charged to the Customer during the relevant quarter. Waiver of, and credits for, NRCs are subject to the following conditions:

(1) To be eligible for waiver or credits, each relevant ASR must relate to a service ordered subject to a Term Pricing Plan (TPP) of three (3) years or longer;

(2) Any Subject Service for which NRCs are waived or credited must remain in service for the duration of the applicable TPP, and the Customer must comply with all terms and conditions of the applicable TPP. Previously waived or credited NRCs, if any, shall be retroactively billed to the Customer if Subject Services are terminated prior to completion of the applicable TPP during the Term Period, or if the Customer fails to comply with the terms and conditions of the applicable TPP during the Term Period; and

(3) NRCs associated with expedited orders, special construction, additional labor charges, subsequent changes and moves shall not be eligible for waiver. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process

(1) The Qualified Companies shall perform true-up calculations following each quarter of each Term Year of this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers (Quarterly True-up Process). To perform such calculations, the Qualified Companies shall determine the Customer's total recurring revenue for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, for the completed quarters of the Term Year (Year-to-Date Revenue), and shall compare that amount to the year-to-date pro-rated MARC, which shall be defined as the product of one-fourth of the MARC times the number of quarters included in each Quarterly True-up Process (the Year-to-Date MARC). The first quarter of the first Term Year of this Contract Offer No. 146 will begin on the first day of the first full month of the Term Period. Subsequent quarters will begin every three months thereafter, for the remainder of the Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process (Cont'd)

(2) If, based on the Quarterly True-up Process, the Year-to-Date Revenue is greater than or equal to the Year-to-Date MARC, the Qualified Companies will issue, in the aggregate: (i) a Monthly MARC Credit(s) for any month during the most recent quarter for which a Monthly MARC Credit was not previously issued, and (ii) an Above MARC Credit(s) for any portion of the difference between the Year-to-Date Revenue and the Year-to-Date MARC for which no Above MARC Credit was previously issued. Credits to be issued as a result of the Quarterly True-up Process shall be subject to any applicable True-up Amount, as provided in Section 33.146.6(F)(4), below. If, based on the Quarterly True-up Process, the Year-to-Date Revenue is less than the Year-to-Date MARC, the Qualified Companies will issue a debit(s) to the Customer equal to the difference between Year-to-Date Revenue and the Year-to-Date MARC (True-up Amount). The True-up Amount shall be subtracted from the amount of any Credits for which the Customer qualifies as a result of the Monthly True-up Process. If the True-up Amount is less than the amount of such Credits, the Qualified Companies will issue a credit which will, in the aggregate, equal the amount of the difference to the Customer. If the True-up Amount is greater than the amount of such Credits, the Qualified Companies will issue a debit(s) which will, in the aggregate, equal the amount of the difference to the Customer. True-up Amounts will subsequently be included as recurring revenue for MARC-eligible Services under this Contract Offer No. 146 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, for purposes of performing MARC Achievement Calculations and the Quarterly True-up Process. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process (Cont'd)

(3) If, upon the fourth Quarterly True-up Process of any Term Year, the Customer's Year-to-Date Revenue (including True-up Amounts) exceeds the MARC, and the Customer has been subject to True-up Amounts during that Term Year, the Qualified Companies will issue a credit(s) to the Customer which, in the aggregate, equals the amount by which Year-to-Date Revenue exceeds the MARC (True-up Refund), provided, however, that the True-up Refund may not exceed the total True-up Amounts to which the Customer was subject during that Term Year.

(4) The Qualified Companies will apply any credits or debits resulting from the Monthly True-up Process to the Customer's invoices for Subject Services under this Contract Offer No. 146 and the subject services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, beginning with the first quarter following the Effective Date. Such credits shall be applied sixty (60) days in arrears, following the end of each quarter. Credits shall not be issued if the Customer is in material breach of this Contract Offer No. 146, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process (Cont'd)

Example of First Quarter Term Year 1 True-up:

The MARC for Year 1 is $385 million, and the Year-to-Date Revenue for the First Quarter is $95 million. Assume the Customer received Monthly MARC Credits under this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers for two (2) months during the First Quarter of the Term Year. In this example, the Customer would be subject to a True-up Amount of $1.25 million. The Qualified Companies would issue a net credit(s), in the aggregate, equal to $1,958,333 to the Customer (one month's Monthly MARC Credit, less $1.25 million), as shown in Table D, below.

Table D:

First Quarter Year-to-Date MARC ($385,000,000 ÷ 4)	$96,250,000
Recurring Revenue for MARC-eligible Services and MARC-eligible Services (combined) for the First Quarter of the Term Year	$95,000,000
True-up Amount for the First Quarter	$1,250,000
Monthly MARC Credits Issued During the First Quarter	$6,416,667
Additional Monthly MARC Credit to be Issued as a Result of Quarterly True-up Process	$3,208,333
Above MARC Credit	$0
Net Credits to be Issued	$1,958,333

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process (Cont'd)

Example of the Second Quarter Term Year 1 True-up:

The MARC for Year 1 is $385 million, and the Year-to-Date Revenue for the first two quarters is $191 million. Assume that the Customer was subject to a True-up Amount of $1.25 million for the First Quarter and received Monthly MARC Credits for four (4) months of the Term Year (either on a monthly basis or as a result of the Quarterly True-up Process). In this example, the Customer would be subject to a True-up Amount of $250,000 for the Second Quarter. The Qualified Companies would issue a net credit(s), in the aggregate, equal to $6,166,666 to the Customer (two months' Monthly MARC Credits, less $250,000), as shown in Table E, below.

Table E:

Second Quarter Year-to-Date MARC (($385M ÷ 4) × 2)	$192,500,000
Year-to-Date Revenue for the First and Second Quarters of the Term Year (Not Including Previous First Quarter True-up Amount)	$191,000,000
True-up Amount Applied for First Quarter	$1,250,000
Additional True-up Amount for Second Quarter	$250,000
Additional Monthly MARC Credits to be Applied as a Result of Quarterly True-Up Process	$6,416,666
Above MARC Discount	$0
Net Credits to be Issued	$6,166,666

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process (Cont'd)

Example of the Third Quarter Term Year 1 True-up:

The MARC for Year 1 is $385 milliion, and the Year-to-Date Revenue during the first three (3) quarters is $290 million. Assume that the Customer was subject to True-up Amounts totaling $1.5 million for the First and Second Quarters, and received Monthly MARC Credits for eight (8) months of the Term Year (either on a monthly basis or as a result of the Quarterly True-up Process). In this example, the Customer is not subject to any True-up Amount. The Qualified Companies would issue a credit(s), in the aggregate, equal to $3,408,333 to the Customer ($3,208,333 in Monthly MARC Credits, plus $200,000 in Above MARC Credit), as shown in Table F, below:

Table F:

Third Quarter Year-to-Date MARC (($385M ÷ 4) × 3)	$288,750,000
Year-to-Date Revenue for the First, Second and Third Quarters of the Term Year	$290,000,000
Additional Monthly MARC Credits to be Applied as a Result of Quarterly True-Up Process	$3,208,333
Above MARC Discount	$200,000
Net Credits to be Issued	$3,408,333

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.6 Discounts and Other Credits (Cont'd)

(F) Quarterly True-up Process (Cont'd)

Example of the Fourth Quarter Term Year 1 True-up:

The MARC for Year 1 is $385 million, and the Year-to-Date Revenue during the first four (4) quarters is $375 million. Assume that the Customer was subject to True-up Amounts totaling $1.5 million for the First and Second Quarters, and received Monthly MARC Credits for ten (10) months of the Term Year (either on a monthly basis or as a result of the Quarterly True-up Process). In this example, the Customer would be subject to a True-up Amount of $8.7 million (includes the Above the MARC Discount applied in the Third Quarter.) The Customer would owe the Qualified Companies $2,283,334 (two month's Monthly MARC Credit, less $8.7 million), as shown in Table G, below:

Table G:

Fourth Quarter Year-to-Date MARC (($385M ÷ 4) × 4)	$385,000,000
Year-to-Date Revenue for the First, Second, Third and Fourth Quarters of the Term Year (Not Including Previous First and Second Quarters True-up Amount)	$375,000,000
True-up Amount Applied for First and Second Quarters	$1,500,000
Additional True-up Amount for Fourth Quarter	$8,700,000
Above the MARC Discount Applied for Third Quarter	$200,000
Additional Monthly MARC Credits to be Applied as a Result of Quarterly True-Up Process	$6,416,666
Above MARC Discount	$0
Net True-up Amount	$2,283,334

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.7 Assignment/Transfer/Successors

Neither party shall assign or otherwise transfer this Contract Offer No. 146 or its rights or obligations hereunder to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that either party shall have the right, without the consent of but with notice to the other party, to assign or otherwise transfer this Contract Offer No. 146 to any person or entity that controls, is under the control of, or is under common control with the assigning party. Further, the Telephone Company may also, without Customer's consent, assign its rights and obligations under this Contract Offer No. 146 to an affiliate, or subcontract to an affiliate or a third party, work to be performed under this Contract Offer No. 146. Any such assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 146, and any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 146, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 146 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 146 or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void.

33.146.8 Mergers/Acquisitions

All provisions of this Contract Offer No. 146 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger of acquisition, if another entity involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 146 for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.9 Termination

(A) Rate Reduction

If, during the Term Period, the Tariff and/or Guidebook MRCs applicable to Subject and Non-Subject Services, as listed in this Section, below, and to the subject and non-subject services as listed in the analogous section of the other Concurrently Subscribed Contract Offers, are reduced by a cumulative total of thirty (30) percent, as compared to the rates applicable to Subject and Non-Subject Services and those subject and non-subject services on the Effective Date, as defined in Section 33.146.4(B) (Initial Rates), either party may terminate this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers without incurring any termination liability charge that would otherwise be due under this Contract Offer No. 146, upon 60-day advance written notice to the other party. Such option to terminate shall be exercisable to this Contract Offer No. 146 and the other Concurrently Subscribed Contract Offers as a package; neither party can terminate less than all of them. To determine whether such a rate reduction has occurred, the Qualified Companies will take the following steps. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.9 Termination (Cont'd)

(A) Rate Reduction (Cont'd)

Within sixty (60) days after the Effective Date of this Contract Offer No. 146, the Qualified Companies will perform an analysis of the Initial Rates (Initial Rate Analysis). The Initial Rate Analysis will be based on the actual quantities of the rate elements, below, and the actual quantities of those rate elements listed in the analogous section of the other Concurrently Subscribed Contract Offers, in each case being purchased by the Customer as of the Effective Date:

1. DS-1: Channel Terminations ("CT"), Channel Mileage ("CM") fixed and CM per mile;
2. DS-3: CT, CM fixed, CM per mile and Multiplexing (MUX);
3. SONET Dedicated Ring Service: Central Office and Customer Premises Nodes, Add/Drop Capability, Ports, Mileage, Optical to Electrical DS1 Add/Drop Capability and Regenerators; and
4. Optical Carrier Network Point-to-Point (OCN PTP) Services: Local Distribution Channel, Interoffice Transport, Collocation Transport, Add/Drop Function, Add/Drop Multiplexing, Protection and Regenerators.

Example: DS-1 Initial Rate Analysis

Product Category/ Description	State	Zone	Term	Rate	Units	Total
DS1 - Channel Termination (CT)	CA	2	36	$25.00	4,000	$100,000
DS1 - Channel Mileage (CM-Fixed)				$21.00	1,600	$33,600
DS1 - Channel Mileage CM-Per Mile)				$16.40	1,000	$16,400
DS1 Total					6,600	$150,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.146 Contract Offer No. 146 – Access Service Offer (Cont'd)

33.146.9 Termination (Cont'd)

(A) Rate Reduction (Cont'd)

During the Term Period, the Customer may request an analysis of the rates applicable to rate elements listed in Section 33.146.9(A) and those rate elements listed in the analogous section of the other Concurrently Subscribed Contract Offers, as of the end of any Term Year. To request such an analysis, the Customer must provide the Qualified Companies with written notice within sixty (60) days after the end of the Term Year to which the request applies. Following such a request, the Qualified Companies shall perform an analysis of the rates applicable to the rate elements listed in Section 33.146.9(A) and to those rate elements listed in the analogous section of the other Concurrently Subscribed Contract Offers, using the same rate elements and quantities as were evaluated in the analysis of the Initial Rates (EOY Rate Analysis). The Initial Rate Analysis will be compared with the EOY Rate Analysis to determine the change, if any, in the rates applicable to Subject and Non-Subject Services.

Example: Comparison of Initial Rate Analysis and EOY Rate Analysis

Product Category	Units	Initial Tariff Rates	EOY Tariff Rates	% Rate Change
DS1	6600	$150,000	$122,000	
DS3	2000	$ 90,000	$ 70,000	
SONET	1000	$300,000	$200,000	
Total	9600	$540,000	$392,000	27%

27% = (1-($392,000/$540,000)) (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer

33.147.1 General Description

Contract Offer No. 147, Special Access Wireless DS1 Bundle Service Offer, is an access discount pricing plan. This Contract Offer permits Customers that meet the Eligibility Criteria in Section 33.147.3 and the Terms and Conditions in Section 33.147.4 to purchase the Subject Services listed in Section 33.147.2, and to receive credits as provided in Section 33.147.5. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSAs) listed in Section 33.147.2 (B).

This Contract Offer is available for subscription from January 17, 2009 through February 17, 2009. This Contract Offer is not renewable.

33.147.2 Subject Services

(A) This Contract Offer applies to pricing flexibility qualified services (Subject Services) contained in the following tariff section: Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7 – DS1 High Capacity Service. Each Subject Service shall consist of the following rate elements: one (1) Channel Termination, one (1) Fixed Mileage Termination, up to seven (7) miles of Variable Mileage (from a cell site to a Serving Wire Center), and multiplexing. DS1 High Capacity Service circuits, including more than seven (7) miles of Variable Mileage, shall not be considered Subject Services and are not eligible for discounts under this Contract Offer. Subject Service rate elements and their associated USOCs are listed in Table A, below:

Table A

Rate Element	USOC
Channel Termination	TMECS
Fixed Mileage Termination	1L5XX
Variable Mileage (up to and including 7 miles)	1L5XX
Multiplexing	MQ1

(B) Subject Services must be located in the following MSAs: Los Angeles/Long Beach, CA, and San Diego, CA.

(C) Subject Services must originate or terminate on a wireless carrier's network. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.3 Eligibility Criteria

The Customer must meet the following Eligibility Criteria as of the date this Contract Offer becomes effective (Effective Date):

(A) The Customer must be operating, as of the Effective Date, no fewer than one thousand one hundred (1100) and no more than three thousand (3000) cell sites activated and providing service within the Los Angeles/Long Beach, CA, and San Diego, CA, MSAs. Such cell sites in operation as of the Effective Date, together with any other cell sites for which the Customer orders Subject Services at any time during the Term Period, are referred to in this Contract Offer as "Qualified Cell Sites"; and

(B) The Customer must be purchasing, as of the Effective Date, no fewer than one thousand five hundred (1500) and no more than four thousand (4000) DS1 special access circuits from the Telephone Company which terminate at Qualified Cell Sites.

33.147.4 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) shall be eighty-four (84) months, commencing on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer. Upon expiration of the Term Period, Subject Services shall no longer receive the discounts provided under this Contract Offer, and will be converted to the prevailing month-to-month rates in PBTC Tariff F.C.C. No. 1, Sections 7 and 31. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions

(1) Subject Services are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No. 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions of this Contract Offer. If any provision of this Contract Offer conflicts with any otherwise applicable provisions of PBTC Tariff F.C.C. No. 1, Sections 2, 5 or 13, this Contract Offer shall govern over the conflicting provision.

(2) All Terms and Conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer may not include Subject Services provided under this Contract Offer in any other contract offer, promotional offering, discount plan or agreement, except as expressly provided in such other contract offer, promotional offering, discount plan or agreement.

(4) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company, which must include a list of eligible Access Customer Name Abbreviations (ACNAs) under which the Customer will purchase Subject Services pursuant to this Contract Offer. The Customer may update its list of eligible ACNAs from time to time by written notice to the Telephone Company. Services ordered or purchased under other ACNAs may not be transferred or converted to this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(5) The Customer shall order and purchase Subject Services under this Contract Offer at a maximum of one thousand three hundred eighteen (1318) Qualified Cell Sites at which the Telephone Company provided service to the Customer prior to the Effective Date, all of which shall be identified by the Customer in the LOS.

(6) The Customer may purchase no more than eight thousand (8000) Subject Services under this Contract Offer in Contract Years 1 through 3 of the Term Period, and no more than one thousand five hundred (1500) additional new Subject Services, for a total of nine thousand five hundred (9500) Subject Services, through the end of the Term Period, provided, however, that any DS1 special access circuits in operation at any Qualified Cell Site in operation as of the Effective Date of this Contract Offer are excluded from this limitation. A "Contract Year" is each consecutive twelve (12) month period of the term, commencing with the beginning of the Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(7) All Subject Services must be ordered under the DS1 Term Payment Plan (DS1 TPP), as described in Section 7.4.18 of PBTC Tariff F.C.C. No. 1, under a seven (7) year term commitment. This ordering requirement is for administrative purposes only, to assure the proper provisioning and billing of Subject Services. Subject Services will not be subject to any terms or conditions of the DS1 TPP, including any commitment or termination liability charges, or to any ordering obligations inconsistent with this Contract Offer. Instead, the Subject Services will have the same term as the Term Period, and any term commitments or termination charges applicable to Subject Services shall be those provided in this Contract Offer. Subject Services purchased under this Contract Offer shall not be subject to the DS1 High Capacity Service Portability Commitment, as described in Section 7.4.18(E) of PBTC Tariff F.C.C. No. 1; any services subject to that provision prior to being purchased under this Contract Offer shall be excluded from the Customer's Commitment Level upon their purchase under this Contract Offer, and no termination liability or other charges shall apply to such services under Section 7.4.18(E) of PBTC Tariff F.C.C. No.1 as a result of such exclusion. Rates and charges for Subject Services shall include credits provided under Section 33.147.5 of this Contract Offer.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(8) If, during the Term Period, the Customer purchases service from the Telephone Company pursuant to the Managed Value Plan ("MVP"), PBTC Tariff F.C.C. No. 1, Section 22, the following will apply:

(a) Cell Site Fixed Charges and Additional Service Charges, as defined in Section 33.147.5(A), below, will be included in qualified access billed revenue for purposes of determining whether the Customer has met the MVP MARC, but will not be eligible for MVP billing discounts; and

(b) If the Customer replaces any Subject Services with Qualified Ethernet Services as provided in Section 33.147.5(A)(2), below, and subsequently fails to achieve the MVP MARC, any payment for failure to achieve the MVP MARC, as provided in PBTC Tariff F.C.C. No. 1, Section 22.3(I)(1)(a), will be reduced by the amount by which the Customer's qualified access revenue under the MVP was reduced as a direct result of the replacement of Subject Services by Qualified Ethernet Services. This Section 33.147.4(B)(8) will not apply if the Customer has increased its MVP MARC at any time after the beginning of the Term Period.

(9) Beginning no later than fifty seven (57) months after the beginning of the Term Period, the parties to this Contract Offer shall begin to negotiate in good faith regarding a successor to this Contract Offer.

(10) Termination liability charges shall not apply to the conversion to this Contract Offer of any service previously provided pursuant to PBTC Tariff F.C.C. No. 1. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.5 Rates and Charges

(A) Charges for Subject Services will be invoiced to the Customer monthly, and will be calculated by cell site. The Telephone Company will charge the Customer a fixed monthly recurring amount for the purchased Subject Services at each Qualified Cell Site in an amount equal to eight hundred forty dollars ($840) per cell site, per month (Cell Site Fixed Charge). For the Cell Site Fixed Charge, the Telephone Company will provide, at the Customer's option, up to five (5) Subject Services at each Qualified Cell Site. The Cell Site Fixed Charge will continue to apply to each Qualified Cell Site from the date Subject Services are installed until the end of the Term Period, except as provided in Sections 33.147.5(A)(1) and 33.147.5(C), below.

The Customer may purchase additional Subject Services at any Qualified Cell Site, at a fixed monthly recurring charge for each additional Subject Service (Additional Service Charge). Such additional Subject Services may be disconnected, at the Customer's discretion, at any time during the Term Period, without termination charges or any other charges associated with the disconnection of such Subject Services. The Additional Service Charge shall be $125 per Subject Service at any Qualified Cell Site.

(1) The Total Fixed Charge will be applied to Subject Services as follows. The Customer will be billed monthly for Subject Services according to the prevailing Monthly Recurring Charges (MRCs) listed in Section 7 of PBTC Tariff F.C.C. No. 1, as applicable to a 7-year term. The Telephone Company will then issue credits to the Customer in amounts equal to the difference between the MRCs billed to the Customer and the total amount of all Total Fixed Charges for the Qualified Cell Sites. These Credits will be applied to the Customer's bills monthly, one month in arrears. Taxes and other charges, as defined in Section 33.147.5(B) of this Contract Offer, if applicable, will be charged according to the TPP 7-year term rates, but will not be included in the credits applied to the Customer's bill. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.5 Rates and Charges (Cont'd)

(A) (Cont'd)

(2) The Customer may replace Subject Services, without termination or other charges under this Contract Offer, with any Ethernet[1]-based service offered by the Telephone Company having a bandwidth of at least ten (10) megabits per second (Mbps), and purchased pursuant to a contract providing for a term commitment applicable to any service replacing a Subject Service that is at least equal to the remainder of the Term Period (Qualified Ethernet Service). Following the replacement of Subject Services with Qualified Ethernet Services, the Total Fixed Charge shall no longer apply to those Subject Services. The Customer may continue to purchase Subject Services following such replacement, subject to only an Additional Service Charge.

(3) Except for any governmentally imposed taxes or surcharges, as set forth in Section 33.147.5(B) or otherwise provided in this Section 33.147.5, no other rates or charges apply to the Subject Services. The Telephone Company's obligations to provide Subject Services under this Contract Offer are subject to the availability of suitable facilities. If suitable facilities do not exist, the Telephone Company shall provide, or otherwise make available, such suitable facilities subject to special construction charges, if applicable. The Non-Recurring Charges (NRCs) set forth in Table B, herein, shall apply to Subject Services provided under this Contract Offer, subject to Section 33.147.5(A)(2)(i), below. All other NRCs are waived. (N)

[1]Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.5 Rates and Charges (Cont'd)

(A) (Cont'd)

(3) (Cont'd)

The Telephone Company shall establish, on behalf of the Customer, a credit pool in the amount of four hundred thousand dollars ($400,000), to be applied against otherwise applicable NRCs during the Term Period (NRC Credit Pool). The Telephone Company will bill, and the Customer shall pay as they come due, the NRCs listed in Table B. The Telephone Company will review billing for such NRCs semi-annually, and will issue credits to the Customer for such NRCs, until the NRC Credit Pool is exhausted, provided, however, that the Telephone Company will review billing for such NRCs monthly for the first six (6) months following the Effective Date, and will issue credits to Customer for such NRCs.

TABLE B

Rate Element	Section
Initial Service Order Charge	5.1.1
Service Date Advancement Charge – per order	5.1.1
Service Date Advancement – SPA DS1 Services – Per Circuit	5.1.1
Service Date Advancement – Missed Appointment SPA DS1 Services – Per Circuit	5.1.1
Service Date Change Charge – per Order	5.1.1
Additional Dispatch Charge	5.1.1
Design Change Charge – per Order	5.1.1
Charges for Additional Engineering – each additional hour or fraction thereof – Basic time	13.1.1
Charges for Additional Engineering – each additional hour or fraction thereof – Overtime outside of basic hours	13.1.1
Installation or Repair Overtime – Outside Basic Schedule Working Hours – per hour or fraction thereof	13.2.6
Installation or Repair Premium Time – Outside Basic Schedule Working Hours – per hour or fraction thereof	13.2.6
Installation or Repair Stand-By Time – Outside Basic Schedule Working Hours – per hour or fraction thereof	13.2.6
Maintenance of Service Charge – per each Half Hour or fraction there of – Basic Working Hours	13.2.6
Maintenance of Service Charge – per each Half Hour or fraction there of – Overtime Working Hours	13.2.6
Maintenance of Service Charge – per each Half Hour or fraction there of – Premium Working Hours	13.2.6

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.5 Rates and Charges (Cont'd)

(B) Taxes

Rates and charges set forth in this Contract Offer are exclusive of, and the Customer will pay, all current and future taxes and fees (but excluding taxes or fees imposed on gross receipts of general commercial businesses, net income, corporate franchise, property/ad valorem, payroll/employment, capital stock or net worth tax and the right-to-do-business, i.e., license taxes or fees), and other applicable government-mandated surcharges and other similar charges, including, without limitation, Universal Service Fund surcharges (and any associated interest and penalties resulting from the Customer's failure to timely pay such taxes or similar charges) relating to the sale, transfer of ownership, installation, license, use or provision of the Subject Services, except to the extent the Customer submits and maintains a reasonably acceptable to AT&T exemption certificate covering all of the Subject Services, and/or provides satisfactory proof of a valid tax exemption for the Subject Services.

(C) If the Customer requests that the Telephone Company provide Qualified Ethernet Service to replace Subject Services at any Qualified Cell Site at which Subject Services have been purchased under this Contract Offer, and the Telephone Company fails to do so within ninety (90) days after such request, the Telephone Company will provide the Customer up to six (6) Subject Services at each such Qualified Cell Site for a fixed MRC of $840 per Qualified Cell Site. Additional Subject Services may be purchased at such Qualified Cell Sites for a fixed MRC of $100 per additional Subject Service. These charges shall be applied in lieu of, but in the same manner as, the Total Fixed Charge, as provided in Section 33.147.5 (A) (1) of this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.6 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.147.6 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.147.8 Termination or Failure to Purchase

The charges provided herein shall apply to Subject Services under this Contract Offer in lieu of any otherwise applicable termination liability charges or similar charges, except as otherwise provided herein.

Except as otherwise provided in this Contract Offer, if the Customer terminates any Subject Service for any reason other than uncured material breach by the Telephone Company of this Contract Offer or any other applicable tariff provision prior to the end of the Term Period, or fails to purchase any Subject Service for which purchase is required, or if the Telephone Company terminates any Subject Service as a result of the Customer's uncured material breach of this Contract Offer or of any other applicable tariff provision, termination liability charges shall apply in the amount of (i) fifty percent (50%) of the discounted MRCs applicable to the terminated Subject Services, net of all credits provided for in this Contract Offer, multiplied by (ii) the number of calendar months, or fractions thereof, remaining in the Term Period following the effective date of the termination. Customer may terminate this Contract Offer or discontinue the purchase of any Subject Service at any time during the Term Period, in whole or in part, as a result of an uncured material breach of this Contract Offer or any other applicable tariff provision by the Telephone Company. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.147 Contract Offer No. 147 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.147.8 Termination or Failure to Purchase (Cont'd)

The non-breaching party shall give the other party no less than thirty (30) days' prior written notice, and the opportunity to cure any breach of this Contract Offer.

33.147.9 Technology Upgrade/Migration

(A) If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, and such new offering(s) employ new technology not available from the Telephone Company at the commencement of the Term Period, the Customer will be permitted to enter into a new contract offer or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability charges under this Contract Offer, provided, however, that the contract offer or tariff arrangement governing the new service includes a term period and billing amount equal to, or greater than, that of this Contract Offer. The Customer may exercise the upgrade option provided the following conditions are met:

(1) The Customer must meet all eligibility requirements outlined in Section 33.147.3, and the Terms and Conditions outlined in Section 33.147.4;

(2) The Customer must provide a written notification to the Telephone Company ninety (90) days prior to exercising this option; and

(3) The Customer must pay all NRCs associated with the upgrade, as well as any applicable special construction charges incurred by the Telephone Company to provision the upgraded service.

33.147.10 De-Tariffing of Subject Services

If, at any time during the Term Period, the Subject Services available under this Contract Offer are voluntarily or involuntarily detariffed by the Telephone Company, in whole or in part, pursuant to a statutory change, order or requirement of a governmental or judicial authority of competent jurisdiction, the rates, and Terms and Conditions for Subject Services provided under this Contract Offer will remain in full force and effect for the remainder of the unexpired Term Period. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer

33.148.1 General Description

DS3 Inter-Office Facility (IOF) Transport Bundle Service Offer is an access discount pricing plan that provides discounts on Monthly Recurring Charges (MRCs) for certain services located in the Pricing Flexibility Metropolitan Statistical Areas (MSAs) listed in Section 41.148.2. Qualified services are listed in Section 41.148.2 and must meet the Eligibility Criteria described in Section 41.148.2. Contract Offer No. 148 is available for subscription from March 3, 2009 to May 31, 2009. This Contract Offer is not renewable.

33.148.2 Eligibility Criteria

(A) This Contract Offer applies to DS3 High Capacity Services, as described in Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7 (Subject Services).

(B) Contract Offer No. 148 applies to Subject Services located in any of the Pricing Flexibility MSAs:

Bakersfield, CA; Fresno, CA; Los Angeles, et.al., CA; Modesto, CA; Oxnard-Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; San Jose, CA; Santa Rosa, CA; Stockton, CA and Non-MSA, CA.

(C) Subject Services must be new installations. Services that were being provided to the Customer by the Telephone Company prior to the Customer’s subscription to this Contract Offer are not eligible for this Contract Offer.

(D) This Contract Offer is available only where facilities exist.

(E) Subject Services must originate from a Dedicated SONET Ring Service (DSRS) Ring, or OCN Point-to-Point Service, provided by the Telephone Company, and terminate at either a 3:1 multiplexer in an AT&T Central Office or a DS3 LDC Service Channel at an End User location.

(N)

ACCESS SERVICE

33.Pricing Flexibility Contract Offerings (Cont'd) (N)

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer (Cont'd)

33.148.2 Eligibility Criteria (Cont'd)

(F) This Contract Offer does not apply to DSRS DS3 ports or DS3 services terminated to collocation.[1]

33.148.3 Terms and Conditions

(A) The Customer shall purchase each Subject Service under a Term Pricing Plan (TPP) (as provided in PBTC Tariff F.C.C. No. 1, Sections 7 and 31) with a term commitment of twelve (12), thirty-six (36), or sixty (60) months (Service Term), to be selected by the Customer. The Service Term for each Subject Service shall begin on the date billing begins for that Subject Service. Upon expiration of the Service Term, the Subject Service(s) shall be provided under the applicable month-to-month rates described in Sections 7 and 31, unless the Customer:

(1) Selects from the TPP options listed in Sections 7 and 31; or

(2) Disconnects the Subject Service(s).

(B) General Terms and Conditions

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges, and general terms and conditions described in Sections 2, 5, and 13, as applicable.

(2) To subscribe to this Contract Offer, Customers must submit a signed Letter of Subscription (LOS) to the Telephone Company.

[1] DSRS services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

(N)

33.Pricing Flexibility Contract Offerings (Cont'd)

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer (Cont'd)

33.148.3 Terms and Conditions (Cont'd)

(A) General Terms and Conditions (Cont'd)

(3) Within sixty (60) days after submitting its signed LOS, the Customer must submit access order(s) pursuant to this Contract Offer and may submit additional access orders to purchase additional Subject Services thereafter, provided, however, that all Subject Services must have an installation completion date on or before August 31, 2009. Notwithstanding the foregoing, Subject Services that are ordered no later than July 31, 2009, but are assigned completion dates beyond August 31, 2009, as a result of Telephone Company reasons, shall be eligible for this Contract Offer.

(4) If the Customer discontinues service under Contract Offer No. 148 during the Service Term, or if the Customer breaches any of the Terms and Conditions of this Contract Offer or any other applicable tariff provision, termination liability charges will apply in accordance with Section 33.148.7.

(5) This Contract Offer cannot be combined with any other discount, promotional offering or other pricing flexibility contract offer unless explicitly stated in such other discount plan, promotional offering or pricing flexibility contract offer.

(6) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(7) If the Customer requests additional service, features and functions not included in Section 33.148.4, the Customer will pay the tariff rates as contained in Sections 7 and 31, as applicable.

(N)

ACCESS SERVICE

33.Pricing Flexibility Contract Offerings (Cont'd) (N)

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer (Cont'd)

33.148.4 Rates and Charges

(A) Monthly Recurring Charges (MRCs)

The Customer must pay the MRCs, listed below, for new DS3 IOF Transport Bundle Service ordered under this Contract Offer. Any rate element not described herein will be subject to the applicable tariff rates provided in Sections 7 and 31.

Generally applicable Non-Recurring Charges (NRCs) shall apply.

DS3 IOF Transport Bundle USOCs

Elements	USOCs	1 Year Term	3 Year Term	5 Year Term
DS3 IOF Channel Mileage (Fixed and Per Mile) with 1 – 15 IOF miles	**1L5XX**	**$650**	**$450**	**$350**
DS3 IOF Channel Mileage (Fixed and Per Mile) with 16 – 25 IOF miles	**1L5XX**	**$800**	**$600**	**$500**

33.148.5 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B), or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it). (N)

ACCESS SERVICE

(N)

33.Pricing Flexibility Contract Offerings (Cont'd)

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer (Cont'd)

33.148.5 Assignment/Transfer/Successors (Cont'd)

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or
(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion to determine the credit worthiness of the assignee or transferee based on any information available.

(N)

ACCESS SERVICE

(N)

33.Pricing Flexibility Contract Offerings (Cont'd)

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer (Cont'd)

33.148.6 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

ACCESS SERVICE

(N)

33.Pricing Flexibility Contract Offerings (Cont'd)

33.148 Contract Offer No. 148 – DS3 IOF Transport Bundle Service Offer (Cont'd)

33.148.7 Termination Liability

Subject Services shall be subject to termination liability, as provided in this Contract Offer, in lieu of the termination liability language contained in Section 7 for DS3 Service. If the Customer terminates services before the completion of the Term Period for any reason, or if the Customer breaches any of the Terms and Conditions of this Contract Offer or any other applicable tariff provision, the Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination, and are payable as described in Section 7. The Customer's termination liability for cancellation of service shall be equal to fifty (50) percent of all MRCs for the balance of the Service Term applicable to the relevant Subject Service(s).

Example: A Customer with a $600 DS3 IOF Transport Bundle MRC terminates service after two (2) years, and has twelve (12) months remaining in a thirty-six (36) month term plan. The termination liability would be calculated as:

$600 X 12 X 50% = $3,600 termination liability charge.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings

33.149 Contract Offer No. 149 – Access Service Offer

33.149.1 General Description (N)

(Nx)

The Special Access Service Offer (Contract Offer No. 149) is a plan for which concurrent subscription is required to this Contract Offer and the following additional contract offers: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 21; Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 185; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 43; Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 162; and BellSouth Telecommunications, Inc. (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 62 (the "Concurrently Subscribed Contract Offers"). NBTC, PBTC, SNET, SWBT, Ameritech, and BellSouth identified herein as the "Qualified Companies." (Nx)

(N)

Contract Offer No. 149 requires eligible customers to satisfy a Minimum Annual Revenue Commitment (MARC), applicable collectively to all of the Concurrently Subscribed Contract Offers, during each Term Year of the Contract Term. Revenue included in the MARC consists of recurring revenue from all MARC-Eligible Services (as defined in Section 33.149.2 of this Contract Offer) and from MARC-eligible services provided under the other Concurrently Subscribed Contract Offers.

Contract Offer No. 149 will be available for subscription only from March 25, 2009 through April 25, 2009. This Contract Offer is not renewable. (N)

(x) Issued under the authority of Special Permission No. 09-004 of the F.C.C.

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.2 MARC-Eligible Services

Revenue included in the MARC under this Contract Offer includes all recurring revenue from all MARC-Eligible Services purchased from the Telephone Company under this Contract Offer. MARC-Eligible Services include both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below. Revenue included in the MARC also includes MARC-eligible services provided pursuant to the other Concurrently Subscribed Contract Offers.

(A) Subject Services

Subject Services are listed in Table A, below. Subject Services are eligible for discounts and other incentives provided under this Contract Offer.

All rates, terms and conditions for Subject Services are governed by the applicable tariff sections, except as noted in this Contract Offer.

Table A – Subject Services

Service Type	Service
Interstate Special Access	Voice Grade
	DS0
	DS1
	DS3
	Switched Access Transport (excluding such service provided by BellSouth Telecommunications, Inc.)
	SONET Xpress
	Shared Transport Network (STN)
	Relianet
	Broadband Circuit Service (BCS)
	SNET SONET Network Service (SSNS)
	Lightgate Services (DS3)
	SMARTGate
	SMARTPath DS1 and DS3
Intrastate Special Access	Equivalent services provided as Interstate Special Access above, subject to the terms and conditions of this Contract Offer

(N)

ACCES SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.2 MARC-Eligible Services (Cont'd)

(B) Non-Subject Services

Non-Subject Services are listed in Table B, below. Recurring revenue attributable to Non-Subject Services will be included in the Customer's revenue for purposes of determining and satisfying the Customer's MARC under this Contract Offer, but are not otherwise subject to the rates, Terms and Conditions of this Contract Offer. In particular, but without limitation, Non-Subject Services are not eligible for credits or other incentives provided under this Contract Offer.

Table B – Non-Subject Services

Service Type	Service
Interstate Special Access	OCN (Optical Carrier Network) Point-to-Point
	Dedicated SONET Ring Service (DSRS)
	SONET Ring and Access Service (SRAS)
	GigaMAN (Gigabit Ethernet Metropolitan Area Network)
	Multi-service Optical Network (MON) Ring Service
	OPT-E-MAN (Optical Ethernet Metropolitan Area Network)
	DecaMAN (10 Gigabit Ethernet Metropolitan Area Network)
	WaveMAN (Wavelength Metropolitan Area Network)
	Serial Component Video Service (SCVS)
	AVS 270 Video Service
	SMARTRing Services
	Lightgate Services - OCN
	Metro Ethernet Services
	Wavelength Services
Intrastate Special Access	Equivalent services provided as Interstate Special Access above, subject to the terms and conditions of this Agreement.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.3 Eligibility Criteria

The Customer must satisfy the following Eligibility Criteria to qualify for this Contract Offer:

(A) Contract Offer No. 149 is available for special access services for which the Telephone Company has been granted pricing flexibility, and which are located in MSAs for which the Telephone Company has been granted pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31. During the Term Period (as defined in Section 33.149.4(B)), if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services eligible for the calculation of credits under this Contract Offer.

(B) The MARC-Eligible Services must be located within the "Operating Territory" of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory); (N)

(Nx)

(C) The Customer must concurrently subscribe to this Contract Offer and the following additional contract offers:

- NBTC Tariff F.C.C. No. 1, Contract Offer No. 21;
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 185;
- SNET Tariff F.C.C. No. 39, Contract Offer No. 43;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 162; and
- BellSouth Tariff F.C.C No. 1, Contract Offer No. 62.

(Nx)

(N)

33.149.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 149:

(A) Subscription
To subscribe to Contract Offer No. 149, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS must list all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer ("Eligible ACNAs"). Services ordered or purchased under ACNAs that are not Eligible ACNAs may not be transferred to, or converted to, or otherwise included in this Contract Offer.

(N)

(x) Issued under the authority of Special Permission No. 09-004 of the F.C.C.

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.4 Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer ("Term Period") shall begin on the date the Letter of Subscription (LOS) is received from the Customer ("Effective Date"), and shall end on December 31, 2012. Upon expiration or termination of this Contract Offer, the Telephone Company will issue to the Customer all credits earned under this Contract Offer prior to the effective date of such termination or expiration, provided that the Customer has complied with all relevant Terms and Conditions of this Contract Offer through the effective date of the termination or expiration, except as provided to the contrary in Section 33.149.9. Following termination or expiration of this Contract Offer, all credits provided under this Contract Offer will cease, and will no longer apply to any services provided by Telephone Company during or after the Term Period of this Contract Offer regardless of any applicable Service Term.

(C) The Customer agrees to a Minimum Annual Revenue Commitment (MARC) of $145,000,000. Revenue contributing to the satisfaction of the MARC will include, in the aggregate, recurring revenue for MARC-Eligible Services, as defined in Section 33.149.2 of this Contract Offer, and MARC-eligible services, as defined in the other Concurrently Subscribed Contract Offers listed in Section 33.149.3(D). The MARC shall apply during each Term Year of this Contract Offer.

(D) Credits earned by the Customer under this Contract Offer No. 149 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 33.149.6(A), below, and in the analogous sections of the other Concurrently Subscribed Contract Offers.

(E) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No. 149.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.4 Terms and Conditions (Cont'd)

(F) This Contract Offer No. 149 is available March 25, 2009 through April 25, 2009.

(G) Subject Services may not be purchased pursuant to: (i)any discount or credit plans or offerings based on revenue or purchase volume commitments; (ii) any pricing flexibility contract offers; or (iii) any of (N) the following: Managed Value Plan (MVP) Ameritech (Nx) Tariff FCC 2 Section 19; SWBT Tariff FCC 73 Section 38; and PBTC Tariff FCC 1 Section 33; Area Commitment Plan (ACP) BellSouth Tariff FCC 1 Section 2.4.8 (B); Transport Advantage Plan (TAP) BellSouth Tariff FCC 1 Section 2.4.8 (H), and Fast Packet Savings Plan (FSP) BellSouth Tariff FCC 1 Section 2.4.8 (F), unless such (Nx) other offering expressly (i) refers to this Contract (N) Offer, and (ii) permits the application of such incentives, credit or discount, provided, however, that the Customer may purchase Subject Services pursuant to generally available tariffed term pricing plans, excluding those listed above.

(H) The Customer must pay all billed charges in full when they become due, excluding amounts properly disputed. The Telephone Company will provide the Customer written notice of any non-compliance. The Customer will have ten (10) business days from receipt of the written notice to comply. If the Customer fails to comply, such failure shall be deemed to be a material breach of this Contract Offer, and the Contract Offer will be terminated. Termination liabilities, as described in Section 33.149.9, below, will apply. Credits to be provided under this Contract Offer will not be issued unless and until the Customer has paid all billed charges, excluding amounts properly disputed, and unless the Customer is otherwise in material compliance with this Contract Offer.

(N)

(x) Issued under the authority of Special Permission No. 09-004 of the F.C.C.

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.5 Minimum Annual Revenue Commitment (MARC)

(A) Satisfaction of the MARC
Satisfaction of the MARC shall be determined according to the recurring revenue attributable to: (i) MARC-Eligible Services (defined in Section 33.149.2), as billed by the Telephone Company, plus any Shortfall Amounts paid by the Customer and applicable to the year to which the Shortfall Amount applies, as provided in Section 33.149.6(F), and (ii) MARC-eligible services, as defined in the other Concurrently Subscribed Contract Offers, plus any applicable true-up amounts provided for therein. To be included, recurring revenue must be billed under the Eligible ACNAs. For clarification, but not by way of limitation, the MARC shall exclude non-recurring charges, usage-based charges, temporary service charges, Unbundled Network Element ("UNE") charges and charges for Switched Access Dedicated Transport purchased from BellSouth. Services included in the MARC shall include both services ordered prior to the date upon which the Customer subscribes to this Contract Offer and services ordered during the Term Period.

(B) Monthly and Annual Review of MARC Revenue
AT&T will review revenues for MARC-Eligible Services within thirty (30) days after the end of each month during the Term Period (a "Monthly Review"), and within thirty (30) days after the end of each Term Year ("Annual Review").

33.149.6 Billing and Credits

(A) Monthly Credits

For each month of the Contract Term, the Customer may be eligible for a Monthly MARC Credit under this Contract Offer and the other Concurrently Subscribed Contract Offers ("Monthly MARC Credits" or "MMC").

The Telephone Company will issue MMC to the Customer for any month during the Contract Term for which MARC-Eligible Revenue is at least one-twelfth of the MARC (the "Monthly MARC"), to be determined according to the Monthly Review. The Telephone Company will apply the MMC to the Customer's bill no later than sixty (60) days from the last bill period, or from the end of month in which it was achieved.

(N)

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ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.6 Billing and Credits (Cont'd)

(A) Monthly Credits (Cont'd)

The aggregate amounts of Monthly MARC Credits under this Contract Offer and the other Concurrently Subscribed Contract Offers shall be as provided in Table C. The Monthly Credits shall be divided among this Contract Offer and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for the MARC-Eligible Services under this Contract Offer and the MARC-eligible services in each of the other Concurrently Subscribed Contract Offers. Credits shall not be posted if the Customer is in material breach of this Contract Offer, or in material breach of the terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer.

Table C:

Term Year	Monthly MARC Credit (MMC)
Year 1	$666,667
Year 2	$666,667
Year 3	$666,667
Year 4	$666,667

(B) Annual True-Up

(i) If, based on the Annual Review, the Customer's MARC Eligible Revenue for a Term Year is equal to or greater than the MARC, the Telephone Company will issue to the Customer any MMC not previously issued as a result of Customer's failure to meet the Monthly MARC during any month of that Term Year.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.6 Billing and Credits (Cont'd)

(B) Annual True-Up (Cont'd)

(ii) If, based on the Annual Review, the Customer's MARC-Eligible Revenue for a Term Year is less than the MARC, the Telephone Company shall bill, and the Customer shall pay, the difference between the Customer's MARC-Eligible Revenue and the MARC for that Term Year (a "Shortfall Amount"). The Telephone Company will bill the Shortfall Amount, which will be applied to the Customer's billings for Subject Services, within sixty (60) days after the end of the applicable Term Year. Payment of the Shortfall Amount will satisfy the Customer's MARC obligation for the year to which the Shortfall Amount applies. Upon payment of any applicable Shortfall Amount, the Telephone Company shall issue to the Customer any credits for that year, provided the Customer is otherwise in compliance with the Terms and Conditions of this Contract Offer.

33.149.7 Assignment/Transfer/Successors

Neither party shall assign or otherwise transfer this Contract Offer or its rights or obligations hereunder to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that either party shall have the right, without the consent of but with notice to the other party, to assign or otherwise transfer this Contract Offer to any person or entity that controls, is under the control of, or is under common control with the assigning party. Further, the Telephone Company may also, without Customer's consent, assign its rights and obligations under this Contract Offer to an affiliate, or subcontract to an affiliate or a third party work to be performed under this Contract Offer. Any such assignment or other transfer shall be subject to the other party's rights under this Contract Offer, and any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer, or the rights or obligations hereunder, or any attempt to do either, in violation of this provision, shall be void.

(This page filed under Transmittal No. 414)

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.149 Contract Offer No. 149 – Access Service Offer (Cont'd)

33.149.8 Mergers/Acquisitions

All provisions of this Contract Offer shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger of acquisition, if another entity involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.149.9 Termination

Termination Liability Charge

If, prior to the completion of the Contract Term, the Customer terminates this Contract Offer for any reason other than material breach by the Telephone Company, or if the Telephone Company terminates this Contract Offer as a result of a material breach by the Customer, the Customer must pay a termination liability charge in the amount of:

One-twelfth (1/12) of the MARC in effect at the time of termination (rounded up to the nearest hundred dollars) multiplied by the number of months remaining in the Contract Term, multiplied by six percent (6%); and

Fifty percent (50%) of all MMC issued during the twelve (12) months prior to termination of this Contract Offer.

Any credits earned, but not paid, at the time of termination will not be paid to the Customer.

Upon termination of this Contract Offer, Subject Services shall be provided at the rates provided in Section 4, above, unless they are disconnected.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.150 Contract Offer No. 150 – Access Service Offer

33.150.1 General Description

The Access Service Offer (Contract Offer No. 150) is an access plan for which concurrent subscription is (N) required to the following Access Tariffs: BellSouth (Nx) Telecommunications, Inc. (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 64; Ameritech Operating Companies (Ameritech) Tariff F.C.C. No 2, Contract Offer No. 186; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 150; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 44; and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 163 (collectively, the "Concurrently Subscribed Contract Offers"). BellSouth, Ameritech, PBTC, SNET and SWBT shall be identified herein as the "Qualified Companies." (Nx)

(N) Contract Offer No. 150 requires eligible Customers to satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 33.150.5. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services purchased from Pacific Bell Telephone Company Company ("PBTC" or "Telephone Company") and all "Subject Services" as defined in the other Concurrently Subscribed Contract Offers described in Section 33.150.3(B).

Subject Services provided by the Telephone Company are described in Section 33.150.2.

This Contract Offer No. 150 is available for subscription only from July 8, 2009 through August 8, 2009. This offer is not renewable.

(N)

(x) Issued under Authority of Special Permission No. 09-022 of F.C.C.

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.2 Subject Services

Subject Services are listed in Table A, below. Each Subject Service under this Contract Offer must be ordered and purchased pursuant to a three (3) year term commitment, pursuant to Section 31.5.2.7, as applicable.

Table A – Subject Services

Subject Services	
Interstate Special Access	DS1 & DS3
Includes only those services listed above and located in Phase I or Phase II Pricing Flexibility Metropolitan Statistical Areas (MSAs).	

(A) Subject Services ordered and purchased by the Customer pursuant prior to its subscription to this Contract Offer will be referred to as "Existing Subject Services."

(B) Subject Services that were not being purchased from the Telephone Company prior to its subscription to this Contract Offer will be referred to as "New Subject Services."

(C) All terms and conditions for the Subject Services are governed by the respective tariff sections, except as provided to the contrary in this Contract Offer No. 150.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 150:

(A) All Subject Services must be located in the MSAs for which the Telephone Company has been granted pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services provided in such additional MSAs in this Contract Offer No. 150, as described in 33.150.2(A), herein. (N)

(B) The Customer must concurrently subscribe to, and purchase service under, each of the following Contract Offers: (Nx)

- BellSouth Tariff F.C.C. No 1, Contract Offer No. 64;
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 186;
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 150;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 163; and
- SNET Tariff F.C.C. No. 39, Contract Offer No. 44. (Nx)

(C) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have been purchasing DS1 and DS3 interstate special access services from each of the Qualified Companies. (N)

(D) During the month prior to the Customer's subscription to this Contract Offer, no less than fifty-five (55) percent of the monthly recurring charges billed by the Qualified Companies to the Customer, in the aggregate, must be for Ethernet services.[1] (N)

(x) Issued under Authority of Special Permission No. 09-022 of F.C.C.

[1] GigaMAN, DecaMAN,® WaveMAN,℠ and Opt-E-MAN services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed

by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at http://cpr.bellsouth.com/guidebook/.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.3 Eligibility Criteria (Cont'd)

(E) The Customer's subscription to, and purchase of Subject Services from, the Qualified Companies under the Concurrently Subscribed Contract Offers must include all of the Customer's subsidiaries and affiliates.

(F) At the time of the Customer's subscription to this Contract Offer, neither the Customer nor any of its affiliates may order or may be purchasing (including the continuing purchase of services previously ordered) any special access service from any of the Qualified Companies pursuant to any other pricing flexibility contract offer, broadband service agreement or other individually negotiated arrangement that includes a revenue or volume commitment, including, without limitation, any minimum annual revenue commitment ("MARC"), quarterly revenue objective ("QRO") or similar commitment), unless the other tariff, contract or other arrangement refers specifically to the Concurrently Subscribed Contract Offers, provided, however, that this provision shall not preclude the Customer from subscribing to and purchasing Subject Services under this Contract Offer if the Customer is purchasing interstate special access services pursuant to PBTC Tariff F.C.C. No. 1, Section 7.4.18, or is purchasing intrastate special access services pursuant to an individual case basis (ICB) contract containing a commitment requiring the Customer to purchase a stated minimum number of services or rate elements.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 150:

(A) Subscription

To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company. The LOS shall list the ACNAs of the Customer and all such affiliates and subsidiaries ("Eligible ACNAs"). Services ordered or purchased under other ACNAs may not be transferred to or otherwise included in this Contract Offer, except as expressly provided herein.

(1) The Customer may purchase Subject Services pursuant to this Contract Offer under ACNAs other than Eligible ACNAs ("Other ACNAs"), and/or the Customer may transfer Subject Services from Other ACNAs to Eligible ACNAs, upon thirty (30) day written notice by the Customer. Subject Services purchased under or transferred from Other ACNAs shall be deemed to be New Subject Services upon their purchase under or transfer to this Contract Offer.

(2) If the Customer purchases Subject Services pursuant to this Contract Offer under Other ACNAs, and/or if services are transferred from Other ACNAs to Eligible ACNAs, the MARC shall be increased to reflect such purchase under or inclusion in this Contract Offer. The amount by which the MARC is increased shall be equal to the billed monthly recurring charges (MRCs) applicable to the services included in or transferred to this Contract Offer from Other ACNAs times: (a) the number of months remaining in the current Term Year, for purposes of determining the MARC for the current Term Year; and/or (b) twelve (12), for purposes of determining the MARC for each Term Year thereafter.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.4 Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer No. 150 (Term Period) shall be thirty-six (36) months, beginning on the date the Letter of Subscription (LOS) is signed by the Customer and the Telephone Company. Each twelve (12) month period of the Term Period (i.e., the first (1st) through twelfth (12th) month, the thirteenth (13th) through twenty-fourth (24th) month and the twenty-fifth (25th) through thirty-sixth (36th) month)), beginning with the date of the Customer's subscription, shall be referred to as a Term Year. This Contract Offer, including, without limitation, the issuance of credits pursuant to this Contract Offer, shall cease upon the expiration of the Term Period.

(C) Service Term

Each Subject Service shall be subject to a three (3) year term commitment, which shall begin as provided below (Service Term). Upon expiration of the Term Period of this Contract Offer, each Subject Service shall be provided for the remainder of the applicable Service Term according to the rates, terms and conditions applicable to a three (3) year term commitment pursuant to Section 31.5.2.7, as applicable.

(1) The Service Term for each Existing Subject Service shall begin on the date such Subject Service was placed in service or began its existing term commitment (that is, its term commitment prior to subscription to this Contract Offer), whichever is later.

(2) The Service Term for each New Subject Service shall begin on the date the Subject Service is placed in service.

(D) Subject Services purchased under this Contract Offer shall not be included in any other pricing flexibility contract offer, promotional offering, discount plan or other arrangement unless expressly permitted by such other pricing flexibility contract offer or other arrangement. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.4 Terms and Conditions (Cont'd)

(E) All terms and conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein. Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No. 150.

(F) Commingling is defined in PBTC Tariff F.C.C. No. 1, Section 2.6. Commingling of Subject Services provided pursuant to this Contract Offer No. 150 is prohibited.

(G) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Subject Services, not to exceed five hundred (500) DS1 and/or DS3 Subject Services, subject to the conditions listed below. In the event that termination liability charges for any moves and/or disconnections eligible for waiver under this provision are billed by the Telephone Company, the Telephone Company will issue credits for such charges on a quarterly basis. To receive credits for termination liability charges for such moves and/or disconnects for New and Existing Subject Services, the following conditions must be satisfied:

(1) The Customer must be in compliance with all Terms and Conditions of this Contract Offer.

(2) Any Existing Subject Service must have been in service for a minimum of twelve (12) months from its installation date to its disconnection date. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.4 Terms and Conditions (Cont'd)

(G) Portability (Cont'd)

(3) Any New Subject Service must have been in service for a minimum of eighteen (18) months from its installation date to its disconnection date.

33.150.5 Minimum Annual Revenue Commitment (MARC)

(A) The Customer shall be subject to a Minimum Annual Revenue Commitment (MARC). The MARC shall include all revenue from MRCs associated with, in the aggregate, all Subject Services as provided in 33.150.2 of this Contract Offer No. 150, and all Subject Services as provided in the other Concurrently Subscribed Contract Offers identified in 33.150.3(B) (MARC Revenue). MARC Revenue shall also include any Termination Liability Charges paid, but not credited quarterly pursuant to Section 33.150.4(G), above, for Subject Services. MARC Revenue shall specifically exclude non-recurring charges (NRCs), usage based charges and temporary service charges. The Customer's MARC obligation shall be a continuing obligation during the entire Term Period, which shall survive any breach or termination of this Contract Offer by the Customer.

(B) The Customer's MARC shall be the Customer's MRCs, determined in the same manner and with respect to the same services as applicable to the determination of MARC Revenue, as provided in Section 33.150.5(A) during the three (3) billing months immediately prior to the date upon which the Customer subscribes to this Contract Offer, multiplied by four (4), provided, however, that the MARC shall be subject to increase upon the inclusion of, or transfer of services from, Other ACNAs, as provided in 33.150.4.

(C) Annual True-up: Following the end of each Term Year, the Qualified Companies will compare the Customer's MARC Revenue to the MARC. If the Customer's MARC Revenue for the Term Year is less than the MARC, the Qualified Companies will bill, and the Customer must pay, the difference between the Customer's MARC Revenue and the MARC (True-up Amount). The Qualified Companies will bill the True-up Amount as a single debit entry for, in the aggregate, this Contract Offer and all of the other Concurrently Subscribed Contract Offers, which amount shall be billed the same BAN designated by the Customer.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 - Access Service Offer (Cont'd)

33.150.6 Discounts and Other Credits

(A) Monthly Recurring Charges (MRCs) - New Subject Services.

MRCs - Application or Credits for New Subject Services.

The Telephone Company will initially bill the Customer according to the applicable MRCs in Section 31.5.2.7, as applicable to a three (3) year term payment plan for New Subject Services ordered after the date of subscription. The Customer shall then be credited in an amount equal to the difference between the rates in Section 31.5.2.7, as applicable, and the rates Tables D, below. Credits will be applied monthly, in arrears.

The MRCs in Table D, below, will apply to New Subject Services (including any Subject Services transferred to this Contract Offer after the date of subscription).

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.6 Discounts and Other Credits (Cont'd)

(A) Monthly Recurring Charges (MRCs) – New Subject Services (Cont'd)

Table D

DS1		
Description	**USOC**	**Rate**
Channel Termination - Per Point of Termination	TMECS	$116.38
Channel Mileage - Fixed	1L5XX	$40.38
Channel Mileage - Per Mile	1L5XX	$9.26
Central Office Multiplexing DS1 to DS0 Per arrangement	MQ1	$161.50
DS3		
Description	**USOC**	**Rate**
Channel Termination – Per point of Termination	Z3MAC/Z3MAP	$810.00
Channel Mileage - Fixed	1L5XX	$373.50
Channel Mileage – Per Mile	1L5XX	$18.90
Multiplexing DS3 to DS1	MQ3	$267.75

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.6 Discounts and Other Credits (Cont'd)

(B) Non Recurring Charges (NRCs)

NRCs will apply to New Subject Services, as provided in Section 31.5.2.7, except as provided in Table E, below.

Table E

Rate element – DS1 New Subject Services ONLY	USOC	NRC Charge
Rollover when Point of Termination Changes	NRBR0	$50.00

(C) Monthly MARC Credit

The Qualified Companies will issue a monthly credit to the Customer in the amount of $61,828.66, subject to Quarterly MARC Credit Reduction if Existing Subject Services are terminated, as further provided herein.

The Telephone Company will review the number of Existing Subject Services during each quarter of the Term Period (each period of three consecutive months, beginning with the date of subscription). If, during any such quarter, the Customer has terminated any Existing Subject Services, the amount of the Monthly MARC Credit will be reduced on a pro-rata basis, according to the percentage by which the number of Existing Subject Services in service at the time of subscription was reduced by the termination of Subject Services during the quarter under review. The reduced Monthly MARC Credit amount will be applied prospectively.

Example: At the time of subscription, the Monthly MARC Credit is $61,828.66. At the beginning of the Term Period, the Customer purchases eight hundred (800) existing Subject Services under this Contract Offer. During the three (3) months of the Term Period, the Customer terminates eighty (80) Subject Services. The Monthly MARC Credit will be reduced by ten (10) percent, to $55,645.79.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.6 Discounts and Other Credits (Cont'd)

(C) Monthly MARC Credit (Cont'd)

Example 2: At the time of subscription, the Monthly MARC Credit is $61,828.66. At the beginning of the Term Period, the Customer purchases two thousand (2000) existing Subject Services under this Contract Offer. During the first three (3) months of the Term Period, the Customer terminates eighty (80) Subject Services. The Monthly MARC Credit will be reduced by four (4) percent, to $59,355.51.

33.150.7 Assignment/Transfer/Successors

Neither party shall assign or otherwise transfer this Contract Offer No. 150, or its rights or obligations hereunder, to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that either party shall have the right, without the consent of but with notice to the other party, to assign or otherwise transfer this Contract Offer No. 150 to any person or entity that controls, is under the control of, or is under common control with the assigning party. Further, the Telephone Company may also, without Customer's consent, assign its rights and obligations under this Contract Offer No. 150 to an affiliate, or subcontract to an affiliate or a third party work to be performed under this Contract Offer No. 150. Any such assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 150, and any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 150, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 150 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 150, or the rights or obligations hereunder, or any attempt to do either in violation of this provision, shall be void.

(N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.8 Mergers/Acquisitions

All provisions of this Contract Offer No. 150 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger or acquisition, if another entity involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 150 for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.150.9 Termination

Termination liability, as described below, applies in lieu of termination liability as described in PBTC Tariff F.C.C. No. 1. If the Customer terminates Subject Services under this Contract Offer before the completion of the applicable Service Term during the Term Period for any reason other than material breach by the Telephone Company, the Customer must pay the Telephone Company termination charges as described in this Section. These charges shall become due as of the effective date of the termination of service. The Customer must provide written notification to the Telephone Company thirty (30) days prior to the desired date of termination of the Subject Services pursuant to this Contract Offer.

If the Customer terminates a Subject Service before the completion of the Term Period, the Customer's termination liability charge for termination of service shall be equal to fifty (50) percent of the applicable monthly charges for the remainder of the Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.150 Contract Offer No. 150 – Access Service Offer (Cont'd)

33.150.9 Termination (Cont'd)

The termination liability charge will be calculated as follows:

(MRCs) multiplied by (months remaining in the Term Period) multiplied by (termination liability percentage of 50%).

Example:The Customer terminates service on a DS3 with a
$1202.50 monthly charge after thirty (30) months of service, and has six (6) months remaining in the thirty-six (36) month term. The termination liability would be calculated as:

$ 1,202.50 X 6 X 50% = $3,607.50 termination liability charge. (N)

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer

33.151.1 General Description

Contract Offer No. 151, Special Access Wireless DS1 Bundle Service Offer, is an access discount pricing plan. This Contract Offer permits Customers that meet the Eligibility Criteria in Section 33.151.3 and the Terms and Conditions in Section 33.151.4 to purchase the Subject Services listed in Section 33.151.2 and to receive credits as provided in Section 33.151.5. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSAs) listed in Section 33.151.2 (B).

This Contract Offer is available for subscription from August 25, 2009 through September 25, 2009. This Contract Offer is not renewable.

33.151.2 Subject Services

(A) This Contract Offer applies to pricing flexibility qualified services (Subject Services) contained in the following tariff section: Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7 – DS1 High Capacity Service. Each Subject Service shall consist of the following rate elements: one (1) Channel Termination, one (1) Fixed Mileage Termination, Variable mileage if required and multiplexing.

Subject Service rate elements and their associated Uniform Service Order Code ("USOCs") are listed in Table A, below:

Table A

Rate Element	USOC
Channel Termination	TMECS
Fixed Mileage Termination	1L5XX
Variable Mileage	1L5XX
Multiplexing	MQ1

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.2 Subject Services (Cont'd)

(B) Subject Services must be located in one of the following MSAs: Los Angeles/Long Beach, CA; Bakersfield, CA; Oxnard/Simi Valley/Ventura, CA and Santa Barbara/Santa Maria/Goleta/ San Diego, CA; Sacramento, CA and Santa Rosa/ Petaluma, CA; San Francisco/Oakland, CA; San Jose/Sunnyvale, CA; Fresno, CA; Modesto, CA and Stockton, CA.

(C) Subject Services must originate or terminate on a wireless carrier's network.

33.151.3 Eligibility Criteria

The Customer must meet the following Eligibility Criteria as of the date this Contract Offer becomes effective (Effective Date):The Customer must be operating, as of the Effective Date, no fewer than the minimum number and no more than the maximum number of cell sites activated and providing service within each of the MSAs listed in Table B, below. Such cell sites in operation as of the Effective Date, together with any other cell sites for which the Customer orders Subject Services at any time during the Term Period, are referred to in this Contract Offer as "Qualified Cell Sites."

Table B

MSA	**Minimum Number of Cell Sites in MSA**	**Maximum Number of Cell Sites in MSA**
Los Angeles/Long Beach, CA	750	1500
Sacramento, CA and Santa Rosa/ Petaluma, CA	200	400
Santa Barbara/Santa Maria/Goleta/ San Diego, CA	350	600
San Francisco/Oakland, CA; San Jose/Sunnyvale, CA; Fresno, CA; Modesto, CA and Stockton, CA	130	220

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.3 Eligibility Criteria (Cont'd)

(A) The Customer must be purchasing, as of the Effective Date, no fewer than the minimum number and no more than the maximum number DS1 special access circuits from the Telephone Company within each of the MSAs listed in Table C, below, which terminate at Qualified Cell Sites.

Table C

MSA	**Minimum Number of DS1 special access circuits in MSA**	**Maximum Number of DS1 special access circuits in MSA**
Los Angeles/Long Beach, CA	750	2000
Sacramento, CA and Santa Rosa/ Petaluma, CA	400	1200
Santa Barbara/Santa Maria/Goleta/ San Diego, CA	750	2000
San Francisco/Oakland, CA; San Jose/Sunnyvale, CA; Fresno, CA; Modesto, CA and Stockton, CA	310	1200

33.151.4 Terms and Conditions

(A) Term Period. The term of this Contract Offer (Term Period) shall be eighty-four (84) months, commencing on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer. Upon expiration or termination of the Term Period, all Subject Services (including without limitation any Subject Services for which the applicable Service Term has not expired) shall no longer receive the discounts provided under this Contract Offer, and shall be converted to the prevailing month-to-month rates in PBTC Tariff F.C.C. No. 1, Section 7 and 31, unless: (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.4 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

(1) The Customer selects an applicable Term Pricing Plan/Optional Payment Plan; or

(2) Either Party disconnects the Subject Services in a manner consistent with PBTC Tariff F.C.C. No. 1, Section 7 and 31.

(B) General Terms and Conditions

(1) Subject Services are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No. 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions of this Contract Offer. If any provision of this Contract Offer conflicts with any otherwise applicable provisions of PBTC Tariff F.C.C. No. 1, Section 2, 5 or 13, this Contract Offer shall govern over the conflicting provision.

(2) All Terms and Conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(3) During the Term Period, the Customer (including any of its affiliates) may not order or purchase any Special Access service (including the continuing purchase of any service previously ordered) which is subject to any pricing flexibility contract offer containing a revenue commitment or revenue objective (*e.g.*, Minimum Annual Revenue Commitment (MARC), Quarterly Revenue Objective (QRO)), in which Subject Service revenue from this Contract Offer is eligible to be included, unless the contract offer specifically refers to this Contract Offer.

(4) The Customer may not include Subject Services provided under this Contract Offer in any other contract offer, promotional offering, discount plan or agreement, except as expressly provided in such other contract offer, promotional offering, discount plan or agreement.

(5) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company, which must include a list of eligible Access Customer Name Abbreviations (ACNAs) under which the Customer will purchase Subject Services pursuant to this Contract Offer. Customer may update its list of eligible ACNAs from time to time by written notice to the Telephone Company. Services ordered or purchased under other ACNAs may not be transferred or converted to this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(6) The Customer shall order and purchase Subject Services under this Contract Offer at the number of Qualified Cell Sites in each of the MSAs listed in Table D, below. The Telephone Company must have provided service to the Customer at each Qualified Cell Cite at which Subject Services are purchased prior to the Effective Date.

Table D

MSA	Number of Qualified Cell Sites
Los Angeles, CA	1021
Sacramento, CA and Santa Rosa/ Petaluma, CA	207
Santa Barbara/Santa Maria/Goleta/ San Diego, CA	666
San Francisco/Oakland, CA; San Jose/Sunnyvale, CA; Fresno, CA; Modesto, CA and Stockton, CA	236

(7) The Customer may reduce the number of Qualified Cell Sites at which it purchases subject Services to the extent permitted under Section 33.151.5(A)2, below. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(8) All Subject Services must be ordered under the DS1 Term Payment Plan (DS1 TPP), as described in Section 7.4.18 of PBTC Tariff F.C.C. No. 1, under a seven (7) year term commitment. This ordering requirement is for administrative purposes only, to assure the proper provisioning and billing of Subject Services. Subject Services will not be subject to any terms or conditions of the DS1 TPP, including any commitment or termination liability charges, or to any ordering obligations inconsistent with this Contract Offer. Instead, the Subject Services will have a term coterminous with the Term Period, and any term commitments or termination charges applicable to Subject Services shall be those provided in this Contract Offer. Subject Services purchased under this Contract Offer shall not be subject to the DS1 High Capacity Service Portability Commitment, as described in Section 7.4.18(E) of PBTC Tariff F.C.C. No. 1. Any services subject to that provision prior to being purchased under this Contract Offer shall be excluded from the Customer's Commitment Level upon their purchase under this Contract Offer, and no Termination Liability or other charges shall apply to such services under Section 7.4.18(E) of PBTC Tariff F.C.C. No.1 as a result of such exclusion. Rates and charges for Subject Services shall include credits provided under Section 33.151.5 of this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(9) If the Customer previously subscribed to PBTC Tariff F.C.C. No.1, Section 7, Contract Offer No. 147, the Telephone Company, as applicable, shall either waive (or apply a credit to Customer's account under this Contract Offer 151 in an amount equal to) any termination liability charges that would otherwise apply pursuant to Contract Offer No. 147 as a result of the migration of Subject Services from Contract Offer No. 147 to this Contract Offer. Any termination liability charges that do not arise from such migration shall otherwise apply as provided in Contract Offer No. 147. The Customer may migrate to this Contract Offer only services provided to the Customer under those ACNAs included in the Customer's LOS for Contract Offer No. 147. Services purchased under other ACNAs, or transferred from other ACNAs, shall not be included in this Contract Offer.

(10) If, during the Term Period, the Customer purchases service from the Telephone Company pursuant to the Managed Value Plan (MVP), PBTC Tariff F.C.C. No. 1, Section 22, the following will apply:

(a) Cell Site Fixed Charges and Additional Service Charges, as defined in Section 33.151.5(A), below, will be included in qualified access billed revenue for purposes of determining whether the Customer has met the MVP MARC, but will not be eligible for MVP billing discounts; and (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(10) (Cont'd)

(b) If the Customer replaces any Subject Services with Qualified Ethernet[1] Services, as provided in Section 33.151.5(A)(2), below, and subsequently fails to achieve the MVP MARC, any payment for failure to achieve the MVP MARC, as provided in PBTC Tariff F.C.C. No. 1, Section 22.3(I)(1)(a), will be reduced by the amount by which the Customer's qualified access revenue under the MVP was reduced as a direct result of the replacement of Subject Services by Qualified Ethernet[1] Services.

(11) Beginning no later than fifty-seven (57) months after the beginning of the Term Period, the parties to this Contract Offer shall begin to negotiate in good faith regarding a successor to this Contract Offer.

(12) Termination liability charges shall not apply to the conversion to this Contract Offer of any service previously provided pursuant to PBTC Tariff F.C.C. No. 1.

[1]Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.5 Rates and Charges

Charges for Subject Services will be invoiced to Customer monthly, and will be calculated by cell site. The Telephone Company will charge the Customer a fixed monthly recurring amount for the purchased Subject Services at each Qualified Cell Site in an amount equal to eight hundred forty dollars ($840) per cell site, per month (Cell Site Fixed Charge). For the Cell Site Fixed Charge, the Telephone Company will provide, at Customer's option, up to five (5) Subject Services at each Qualified Cell Site in the Los Angeles, CA and Santa Barbara/Santa Maria/Goleta/ San Diego, CA MSAs. For the Cell Site Fixed Charge, the Telephone Company will provide, at Customer's option, up to four (4) Subject Services at each Qualified Cell Sites in the Sacramento, CA and Santa Rosa/ Petaluma, CA and San Francisco/Oakland, CA; San Jose/Sunnyvale, CA; Fresno, CA; Modesto, CA and Stockton, CA MSA.

The Cell Site Fixed Charge will continue to apply to each Qualified Cell Site from the date Subject Services are installed until the end of the Term Period, except as provided in Sections 33.151.5(A)(1) and 33.151.5(C), below.

The Customer may purchase additional Subject Services at any Qualified Cell Site at a fixed monthly recurring charge for each additional Subject Service (Additional Service Charge). Such additional Subject Services may be disconnected, at the Customer's discretion, at any time during the Term Period without termination charges or any other charges associated with the disconnection of such Subject Services. The Additional Service Charge shall be $125 per Subject Service at any Qualified Cell Site. (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.5 Rates and Charges (Cont'd)

(A) For each Qualified Cell Site, the sum of the Cell Site Fixed Charge and any applicable Additional Service Charges shall be known as the "Total Fixed Charge." The Total Fixed Charge will be applied to Subject Services as follows. The Customer will be billed monthly for Subject Services according to the prevailing Monthly Recurring Charges (MRCs) listed in Section 7 of PBTC Tariff F.C.C. No. 1, as applicable to a five (5) year term. The Telephone Company will then issue adjustments to the Customer in an amount equal to the difference between the MRCs billed to the Customer and the total amount of all Total Fixed Charges for the Qualified Cell Sites. These adjustments will be applied to the Customer's bills monthly, one month in arrears. Taxes and other charges, as defined in Section 33.151.5(B) of this Contract Offer, if applicable, will be charged according to the TPP 5 year term rates, but will not be included in the adjustments applied to the Customer's bill.

(1) The charges include average Variable Mileage per Subject Service, for all Subject Services purchased under this Contract Offer, not to exceed four (4) miles. The Telephone Company will review the Variable Mileage associated with the Subject Services purchased by the Customer no more frequently than twice per year beginning with the effective date of this Contract Offer. If, upon such review, the Telephone Company determines that Variable Mileage for Subject Services exceeds an average of four (4) miles per Subject Service, the Telephone Company will bill the Customer for all Variable Mileage in excess of four (4) miles per Subject Service by applying the charges in Tariff Section 31, as applicable to a five (5) year term commitment plan. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.5 Rates and Charges (Cont'd)

(B) The Customer may replace Subject Services, without termination or other charges under this Contract Offer, with any Ethernet[1]-based service offered by the Telephone Company having a bandwidth of at least ten (10) megabits per second (Mbps), and purchased pursuant to a contract providing for a term commitment applicable to any service replacing a Subject Service that is at least equal to the remainder of the Term Period (Qualified Ethernet[1] Service). Following the replacement of Subject Services with Qualified Ethernet[1] Services, the Total Fixed Charge shall no longer apply to those Subject Services. The Customer may continue to purchase Subject Services following such replacement, subject to only an Additional Service Charge.

(C) Except for any taxes or surcharges as set forth in Section 33.151.5(B), no other rates or charges apply to the Subject Services. The Telephone Company's obligations to provide Subject Services under this Contract Offer are subject to the availability of suitable facilities. If suitable facilities do not exist, the Telephone Company shall provide, or otherwise make available, such suitable facilities subject to special construction charges, if applicable. The non-recurring charges (NRCs) set forth in Table B, below, shall apply to Subject Services provided under this Contract Offer, subject to the application of the NRC Credit Pool, as provided below. All other NRCs are waived.

[1]Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.5 Rates and Charges (Cont'd)

(C) (Cont'd)

The Telephone Company shall establish on behalf of the Customer a credit pool in the amount of Six Hundred Thirty Thousand Dollars ($630,000), to be applied against otherwise applicable NRCs during the Term Period (NRC Credit Pool). The Telephone Company will bill, and the Customer shall pay as they come due, the NRCs listed in Table E. The Telephone Company will review billing for such NRCs semi-annually, and will issue credits to the Customer for such NRCs, until the NRC Credit Pool is exhausted, provided, however, that the Telephone Company will review billing for such NRCs monthly for the first six (6) months following the Effective Date, and will issue credits to Customer for such NRCs.

TABLE E

Rate Element		PBTC Tariff F.C.C. No. 1 Section
Initial Service Order Charge	$61.00	5.1.1
Service Date Advancement Charge – per order	$200.00	5.1.1
Service Date Advancement – SPA DS1 Services – Per Circuit	$900.00	5.1.1
Service Date Advancement – Missed Appointment SPA DS1 Services – Per Circuit	$345.00	5.1.1
Service Date Change Charge – per Order	$200.00	5.1.1
Additional Dispatch Charge	$300.00	5.1.1
Design Change Charge – per Order	$31.60	5.1.1
Charges for Additional Engineering – each additional hour or fraction thereof – Basic time	$150.00	13.1.1
Charges for Additional Engineering – each additional hour or fraction thereof – Overtime outside of basic hours	$39.93	13.1.1

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.5 Rates and Charges (Cont'd)

TABLE E (Cont'd)

Rate Element		PBTC Tariff F.C.C. No. 1 Section
Installation or Repair Overtime – Outside Basic Schedule Working Hours – per hour or fraction thereof	$31.00	13.2.6
Installation or Repair Premium Time – Outside Basic Schedule Working Hours – per hour or fraction thereof	$37.00	13.2.6
Installation or Repair Stand-By Time – Outside Basic Schedule Working Hours – per hour or fraction thereof	$8.00	13.2.6
Maintenance of Service Charge – per each Half Hour or fraction there of – Basic Working Hours	$12.00	13.2.6
Maintenance of Service Charge – per each Half Hour or fraction there of – Overtime Working Hours	$44.00	13.2.6
Maintenance of Service Charge – per each Half Hour or fraction there of – Premium Working Hours	$80.00	13.2.6

(D) Taxes and Surcharges. Rates and charges set forth in this Contract Offer are exclusive of, and the Customer will pay, all current and future taxes and fees (but excluding taxes or fees imposed on gross receipts of general commercial businesses, net income, corporate franchise, property/ad valorem, payroll/employment, capital stock or net worth tax and the right to do business, i.e., license taxes or fees) relating to the sale, transfer of ownership, installation, license, use or provision of the Subject Services, and other applicable governmentally established surcharges and similar charges, which AT&T is permitted by applicable law to pass through to the Customer, including, without limitation, Universal Service Fund surcharges (and any associated interest and penalties resulting from the Customer's failure to timely pay such taxes or similar charges), except to the extent the Customer submits and maintains a reasonably acceptable to AT&T exemption certificate covering all of the Subject Services, and/or provides satisfactory proof of a valid tax exemption for the Subject Services.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.5 Rates and Charges (Cont'd)

(E) If the Customer requests that the Telephone Company provide Qualified Ethernet[1] Service to replace Subject Services at any Qualified Cell Site at which Subject Services have been purchased under this Contract Offer, and the Telephone Company fails to do so within ninety (90) days after such request, the Telephone Company will provide the Customer up to six (6) Subject Services at each such Qualified Cell Site for a fixed monthly recurring amount of $840 per Qualified Cell Site. Additional Subject Services may be purchased at such Qualified Cell Sites for a fixed monthly recurring amount of $100 per additional Subject Service. These charges shall be applied in lieu of, but in the same manner as, the Total Fixed Charge, as provided in Section 33.151.5 (A) (1) of this Contract Offer.

33.151.6 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

[1]Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.6 Assignment/Transfer (Cont'd)

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.151.6 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete, and/or the final date on which the assets of the acquired/merged company have been purchased.

33.151.8 Termination or Failure to Purchase

During the Term Period, the charges provided herein shall apply to Subject Services under this Contract Offer in lieu of any otherwise applicable termination liability charges or similar charges, except as otherwise provided herein. Upon expiration of the Term Period, termination liability shall apply according to the terms of the applicable tariff provisions. (N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.8 Termination or Failure to Purchase (Cont'd)

Except as otherwise provided in this Contract Offer, if the Customer terminates any Subject Service for any reason other than uncured material breach by the Telephone Company of this Contract Offer or any other applicable tariff provision prior to the end of the Term Period or fails to purchase any Subject Service for which purchase is required, or if the Telephone Company terminates any Subject Service as a result of the Customer's uncured material breach of this Contract Offer or of any other applicable tariff provision, termination liability charges shall apply in the amount of (i) fifty percent (50%) of the discounted MRCs applicable to the terminated Subject Services, net of all credits provided for in this Contract Offer, multiplied by (ii) the number of calendar months, or fractions thereof, remaining in the Term Period following the effective date of the termination. Customer may terminate this Contract Offer or discontinue the purchase of any Subject Service at any time during the Term Period, in whole or in part, as a result of an uncured material breach of this Contract Offer or any other applicable tariff provision by the Telephone Company.

Notwithstanding anything to the contrary in this Contract Offer or elsewhere in PBTC Tariff F.C.C. No. 1, termination liability charges or similar charges shall not apply to the termination of a Subject Service if: (i) the Customer submits a service order seeking to replace the Subject Service with a Qualified Ethernet[1] Service, as provided in Section 33.151.5(A)(2) of this Contract offer, (ii) the Telephone Company is obligated to provide the Qualified Ethernet[1] Service ordered by the Customer, and (iii) the Telephone Company materially fails to provide or otherwise perform its obligations with respect to the Qualified Ethernet[1] Service as required pursuant to Section 33.151.5.A.(2) of this Contract Offer.

[1]Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.8 Termination or Failure to Purchase (Cont'd)

The non-breaching party shall give the other party no less than thirty (30) days' prior written notice and an opportunity to cure any breach of this Contract Offer.

33.151.9 Technology Upgrade/Migration

(A) If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, and such new offering(s) employ new technology not available from the Telephone Company at the commencement of the Term Period, the Customer will be permitted to enter into a new contract offer or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability charges under this Contract Offer, provided, however, that the contract offer or tariff arrangement governing the new service includes a term period and billing amount equal to, or greater than, that of this Contract Offer. The Customer may exercise the upgrade option provided the following conditions are met:

(1) The Customer must meet all eligibility requirements outlined in Section 33.151.3, and Terms and Conditions outlined in Section 33.151.4;

(2) The Customer must provide a written notification to the Telephone Company ninety (90) days prior to exercising this option; and

(3) The Customer must pay all NRCs associated with the upgrade, as well as any applicable Special Construction Charges incurred by the Telephone Company to provision the upgraded service.

(N)

ACCESS SERVICE

(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.151 Contract Offer No. 151 – Special Access Wireless DS1 Bundle Service Offer (Cont'd)

33.151.10 De-Tariffing of Subject Services

If, at any time during the Term Period, the Subject Services available under this Contract Offer are voluntarily or involuntarily detariffed by the Telephone Company, in whole or in part, pursuant to a statutory change, order or requirement of a governmental or judicial authority of competent jurisdiction, the rates, Terms and Conditions for Subject Services provided under this Contract Offer will remain in full force and effect for the remainder of the unexpired Term Period.

(N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings

33.152 Contract Offering No. 152 – Access Advantage Plus Transport Service Extension

33.152.1 General Description

Contract Offer No. 152 – Access Advantage Plus Transport Service Extension is an access discount offer that provides the Customer, located in the Metropolitan Statistical Areas listed Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 31, with rates listed in Section 33.152.5 for Access Advantage Plus Transport Service. The Customer must meet the Eligibility Criteria and all Terms and Conditions listed in Section 33.152.3 and 33.152.4.

33.152.2 Service Qualifications

Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 Service. AA+ Transport Service provides the Customer with a DS1 Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and Multiplexer Cross Connections (MCC), as described below.

(A) An AA+ Transport Service Node is a Telephone Company hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via Multiplexer Cross Connections, which are described in Section 7.2.9(D)(7).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.152 Contract Offering No. 152 – Access Advantage Plus Transport Service Extension (Cont'd)

33.152.2 Service Qualifications (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 326 Kbps of capacity.

(3) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

33.152.1 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) Services must be in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer.

(B) Customer must have an existing Access Advantage Plus Transport Service.

33.152.4 Contract Terms

(A) Contract Offering No. 152 is available for subscription from December 15, 2009 to March 15, 2010. (z)

(B) In order to subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company.

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.152 Contract Offering No. 152 – Access Advantage Plus Transport Service Extension (Cont'd)

33.152.4 Contract Terms (Cont'd)

(C) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's Contract Term, other than to provisions noted below, apply to Contract Offering No. 152.

(1) Waiver of Non-Recurring Charges – The Telephone Company shall waive any otherwise applicable Non-Recurring Charge (NRC) for services provided under this Contract Offer.

(2) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus services that are cross connected to AA+ Transport Service, including Integrated Voice Access Lines and Integrated Voice Access Trunks associated with DTS-E Module 4, as well as other DTS-E switched services associated with Modules 1, 2, and 3.

(3) The Telephone Company shall waive termination liability charges that would otherwise apply to customers currently subscribed to the Access Advantage Plus Transport Service Contract Offers in the PBTC Tariff F.C.C. No. 1, Section 33, as a result of the migration of existing Services from the currently subscribed Contract Offer to this Contract Offer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.152 Contract Offering No. 152 – Access Advantage Plus Transport Service Extension (Cont'd)

33.152.4 Contract Terms (Cont'd)

(D) The Contract Term shall be twelve (12) months commencing on the date Telephone Company received the signed (LOS) from the Customer. This Contract Term is not renewable.

(E) Rates described in Section 33.152.5 shall apply during the Contract Term.

(F) No other discount pricing plans apply.

(G) A minimum of four (4) existing DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's Intrastate Access Advantage Plus services, and will be maintained during the Contract Term. These services may include Integrated Voice Access Lines and Integrated Voice Access Trunks associated with Digital Transport Service Enhanced (DTS-E) Module 4 (Access Advantage Plus), as well as other DTS-E switched services associated with Modules 1, 2, and 3. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the Contract Term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 152 terminated.

(H) Service will utilize the pre-existing configuration which includes the same AA+ Transport Service Node.

(I) The AA+ Transport Service Customer will utilize the same channel assignments, which include:

(1) The DS0 channel assignments which connect AA+ Transport Service via Multiplexer Cross Connections to the DS0 channels derived from other multiplexed high capacity service arrangements.
(2) The consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.152.2 (B). (N)

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ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.152 Contract Offering No. 152 – Access Advantage Plus Transport Service Extension (Cont'd)

33.152.5 Rate Regulations

(A) Rates and Charges

The Monthly Recurring Charge for Services provided under this Contract Offer are described below in Table A.

Table A

MRC	CRIS USOC	CABS USOC
$200.00	DZS1P	1ZZPZ

33.152.6 Termination Liability

If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 152 prior to the expiration of the Contract Term, the Customer shall incur a termination charge. The termination charge for Contract Offering No. 152 is fifty (50) percent of the remaining monthly rate payments due for the balance of the Contract Term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

The Customer may elect to discontinue Contract Offering No. 152 at any time prior to the expiration of the initial Contract Term, without incurring the termination charges, provided that it meet the following criteria. Customer must provide the Telephone Company with written notice of its intent to terminate service no later than thirty (30) days before termination to become effective.

(A) The Customer establishes a new interstate special access service of equal or greater capacity,

(B) The new service is provided to the same end user's premises to which Contract Offering No. 189 was provided,

(C) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 152, and

(D) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 152. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings

33.153 Contract Offering No. 153 – Access Advantage Plus Transport Service Extension

33.153.1 General Description

Contract Offer No. 153 – Access Advantage Plus Transport Service Extension is an access discount offer that provides the Customer, located in the Metropolitan Statistical Areas listed Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 31, with rates listed in Section 33.153.5 for Access Advantage Plus Transport Service. The Customer must meet the Eligibility Criteria and all Terms and Conditions listed in Section 33.153.3 and 33.153.4.

33.153.2 Service Qualifications

Access Advantage Plus (AA+) Transport Service is a dedicated transport service arrangement that integrates an end user's network access connections for multiple voice, data and other special access services onto a single interstate DS1 Service. AA+ Transport Service provides the Customer with a DS1 Service between an end user's designated premises and an AA+ Transport Service Node, DS1-to-DS0 multiplexing and Multiplexer Cross Connections (MCC), as described below.

(A) An AA+ Transport Service Node is a Telephone Company hubbing office in which digital DS1-to-DS0 multiplexing is provided through a Digital Cross Connect System (DCS) to derive twenty-four (24) DS0 level channels (64 Kbps per channel). AA+ Transport Service DS0 channels are digitally cross connected at the AA+ Transport Service Node to the DS0 channels derived from other multiplexed high capacity service arrangements via Multiplexer Cross Connections, which are described in Section 7.2.9(D)(7).

(B) The DS0 channels derived from an AA+ Transport Service may be cross connected on an individual channel basis, as well as by Bonded Channel Group. Any combination of the Bonded Channel Groups listed below and individual DS0 channels may be cross connected, but the total number of DS0 channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DS0 channels configured to provide the following capacity arrangements. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.153 Contract Offering No. 153 – Access Advantage Plus Transport Service Extension (Cont'd)

33.153.2 Service Qualifications (Cont'd)

(B) (Cont'd)

(1) Bonded Channel Group 2 – Two (2) consecutively assigned DS0 channels configured to provide 128 Kbps of capacity.

(2) Bonded Channel Group 4 – Four (4) consecutively assigned DS0 channels configured to provide 326 Kbps of capacity.

(3) Bonded Channel Group 6 – Six (6) consecutively assigned DS0 channels configured to provide 384 Kbps of capacity.

(4) Bonded Channel Group 8 – Eight (8) consecutively assigned DS0 channels configured to provide 512 Kbps of capacity.

(5) Bonded Channel Group 12 – Twelve (12) consecutively assigned DS0 channels configured to provide 768 Kbps of capacity.

33.153.3 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) Services must be in the pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in PBTC Tariff F.C.C. No. 1, Section 31. If, during the Term Period, the Telephone Company receives pricing flexibility relief in additional MSAs, as listed in Section 31, the Customer may be able to include services provided under this Contract Offer, if available, in those additional MSAs pursuant to this Contract Offer.

(B) Customer must have an existing Access Advantage Plus Transport Service.

33.153.4 Contract Terms

(A) Contract Offering No. 153 is available for subscription from March 16, 2010 to June 15, 2010.

(B) In order to subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.153 Contract Offering No. 153 – Access Advantage Plus Transport Service Extension (Cont'd)

33.153.4 Contract Terms (Cont'd)

(C) PBTC Tariff F.C.C. No. 1, Sections 2, 4, 5, 13 and 34 apply, except as noted herein. Any changes made to the aforementioned sections during the Customer's Contract Term, other than to provisions noted below, apply to Contract Offering No. 153.

(1) Waiver of Non-Recurring Charges – The Telephone Company shall waive any otherwise applicable Non-Recurring Charge (NRC) for services provided under this Contract Offer.

(2) End User Common Line (EUCL) charges set forth in Section 4 apply to any intrastate Access Advantage Plus services that are cross connected to AA+ Transport Service, including Integrated Voice Access Lines and Integrated Voice Access Trunks associated with DTS-E Module 4, as well as other DTS-E switched services associated with Modules 1, 2, and 3.

(3) The Telephone Company shall waive termination liability charges that would otherwise apply to customers currently subscribed to the Access Advantage Plus Transport Service Contract Offers in the PBTC Tariff F.C.C. No. 1, Section 33, as a result of the migration of existing Services from the currently subscribed Contract Offer to this Contract Offer. (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.153 Contract Offering No. 153 – Access Advantage Plus Transport Service Extension (Cont'd)

33.153.4 Contract Terms (Cont'd)

(D) The Contract Term shall be twelve (12) months commencing on the date Telephone Company received the signed (LOS) from the Customer. This Contract Term is not renewable.

(E) Rates described in Section 33.153.5 shall apply during the Contract Term.

(F) No other discount pricing plans apply.

(G) A minimum of four (4) existing DS0 channels in an AA+ Transport Service will be connected to any of the Telephone Company's Intrastate Access Advantage Plus services, and will be maintained during the Contract Term. These services may include Integrated Voice Access Lines and Integrated Voice Access Trunks associated with Digital Transport Service Enhanced (DTS-E) Module 4 (Access Advantage Plus), as well as other DTS-E switched services associated with Modules 1, 2, and 3. If the Customer has fewer than four (4) DS0 channels cross connected to the above-mentioned intrastate Access Advantage Plus services at any time during the Contract Term, the Customer will have thirty (30) days from notification by the Telephone Company to connect the additional intrastate Access Advantage Plus services needed to meet the four (4) DS0 channel minimum. If the Customer fails to connect the additional services during the thirty (30) day period following notification, the Telephone Company considers Contract Offering No. 153 terminated.

(H) Service will utilize the pre-existing configuration which includes the same AA+ Transport Service Node.

(I) The AA+ Transport Service Customer will utilize the same channel assignments, which include:

(1) The DS0 channel assignments which connect AA+ Transport Service via Multiplexer Cross Connections to the DS0 channels derived from other multiplexed high capacity service arrangements.
(2) The consecutive DS0 channel assignments for the Bonded Channel Group configurations reflected in Section 33.153.2 (B). (N)

ACCESS SERVICE (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.153 Contract Offering No. 153 – Access Advantage Plus Transport Service Extension (Cont'd)

33.153.5 Rate Regulations

(A) Rates and Charges

The Monthly Recurring Charge for Services provided under this Contract Offer are described below in Table A.

Table A

MRC	CRIS USOC	CABS USOC
$200.00	DZS1P	1ZZPZ

33.153.6 Termination Liability

If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 153 prior to the expiration of the Contract Term, the Customer shall incur a termination charge. The termination charge for Contract Offering No. 153 is fifty (50) percent of the remaining monthly rate payments due for the balance of the Contract Term. The termination charge is calculated as follows:

(Monthly rate) x (Months remaining in initial contract term) x (50%)

The Customer may elect to discontinue Contract Offering No. 153 at any time prior to the expiration of the initial Contract Term, without incurring the termination charges, provided that it meet the following criteria. Customer must provide the Telephone Company with written notice of its intent to terminate service no later than thirty (30) days before termination to become effective.

(A) The Customer establishes a new interstate special access service of equal or greater capacity,

(B) The new service is provided to the same end user's premises to which Contract Offering No. 153 was provided,

(C) The new service has a contract term that exceeds the time remaining in the Customer's initial contract term for Contract Offering No. 153, and

(D) The revenue value of the new service over the life of its contract term exceeds the revenue value associated with the time period remaining in the Customer's initial contract term for Contract Offering No. 153. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer

33.154.1 General Description

This Contract Offer permits Customers that meet the Eligibility Criteria in Section 33.154.3, and otherwise comply with the Terms and Conditions of this Contract Offer to disconnect Subject Services, as defined in Section 33.154.2, without incurring termination liability charges. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSAs) listed in Section 33.154.2 (B).

This Contract Offer is available for subscription from October 27, 2010 through November 27, 2010. This Contract Offer is not renewable.

33.154.2 Subject Services

(A) This Contract Offer applies to pricing flexibility qualified services (Subject Services) contained in the following tariff section: Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7 – DS1 High Capacity Service and DS3 High Capacity Service.

(B) Subject Services must be located in the Pricing Flexibility MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in PBTC Tariff F.C.C. No. 1, Section 31. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services eligible for the discounts under this Contract Offer No. 154.

33.154.3 Eligibility Criteria

The Customer must meet the following Eligibility Criteria as of the date this Contract Offer becomes effective:

(A) All Subject Services must originate or terminate on a wireless carrier’s network.

(B) The Customer must be operating no fewer than one thousand four hundred (1,400) and no more than three thousand (3,000) cell sites, which must be activated and providing service within the MSAs described in 33.154.2(B). Such cell sites, together with any other cell sites for which Customer orders Subject Services at any time during the Term Period, are referred to in this Contract Offer as “Qualified Cell Sites.” (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.3 Eligibility Criteria (Cont'd)

(C) The Customer must be purchasing no fewer than eight thousand six hundred forty nine (8,649) and no more than thirteen thousand five hundred (13,500) DS1 special access circuits from the Telephone Company, each of which terminates at a Qualified Cell Site.

33.154.4 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) shall be thirty-six (36) months, beginning on the date the Letter of Subscription (LOS) is signed by the last of the Customer and the Telephone Company (Subscription Date). This Contract Offer is not renewable.

(B) General Terms and Conditions

(1) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No.154.

(2) All Terms and Conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(3) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company, which must include a list of eligible Access Customer Name Abbreviations (ACNAs). All Subject Services under this Contract Offer must be purchased under such ACNAs. Subject Services ordered or purchased under other ACNAs may not be transferred or converted for inclusion under this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(4) This Section 33.154.4(B)(4) shall apply to Subject Services except for those purchased under the DS1 High Capacity Service Portability Commitment, as described in Section 7.4.18(E) of PBTC Tariff F.C.C. No. 1. The Customer may disconnect Subject Services without termination liability charges being applied to such Subject Services as a result of such disconnection, provided that:

(i) the Customer replaces the disconnected Subject Services with Ethernet[1]-based services offered by, and purchased from, the Telephone Company;

(ii) such Ethernet[1]-based services are provided at total Monthly Recurring Charges (MRCs) equal to, or greater than, those applicable to the Subject Services being replaced; and

(iii) such Ethernet[1]-based services are subject to a term commitment of sixty (60) months or more.

The Customer will be deemed to have "replaced" Subject Services with Ethernet[1]-based services, within the meaning of this Section 33.154(B)(4) only if such Ethernet[1]-based services have been installed prior to the time of disconnection of the terminated Subject Services at the same Customer location. The Customer's compliance with the foregoing clauses (i) and (ii) shall be determined semi-annually, beginning six (6) months after the Subscription Date, in the manner described below. For those Qualified Cell Sites at which the Customer has purchased Subject Services and subsequently purchases Ethernet[1]-based service offered by the Telephone Company, the total MRCs applicable to Subject Services that were disconnected during the previous six (6) months and were subject to a DS1 Term Payment Plan (DS1 TPP), as described in Section 7.4.18 of PBTC Tariff F.C.C. No. 1 at the time of their

[1]Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(4) (Cont'd)

disconnection, will be divided by the number of such disconnected Subject Services to determine the average MRC applicable to such Subject Services ("Average Terminated Subject Service MRC"). The total MRCs applicable to the Ethernet[1]-based services purchased at those Qualified Cell Sites, net of applicable credits, will then be divided by the Average Terminated Subject Service MRC. The product of that calculation will be the maximum number of Subject Services the Customer will be allowed to disconnect without termination liability ("Maximum Terminated Subject Services"). The number of replaced Subject Services in excess of the Maximum Terminated Subject Services, if any, shall be the number of "Excess Terminated Subject Services."

If the replacement of Subject Services by Ethernet[1]-based service results in no Excess Terminated Subject Services, no termination liability will apply to the replacement of the Subject Services, If the replacement of Subject Services by Ethernet[1]-based service results in Excess Terminated Subject Services, the Customer will be liable for termination liability, which will be calculated by multiplying the following: (i) the number of Excess Terminated Subject Service; (ii) the Average Terminated Subject Service MRC; (iii) the average remaining term commitment, as of the time of disconnection, of all Subject Services that were disconnected during the six (6) months being evaluated ("Average Remaining Term"); and (iv) fifty percent (50%). This calculation will be performed every six (6) months of the Term Period.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(4) (Cont'd)

Formula:

Excess Terminated Subject Services x Average Terminated Subject Service MRC x Average Remaining Term x 50% = Termination Liability Charge

Example:

During the first six (6) months of the Term Period, the Customer replaces Subject Services having total MRCs of $13,500 with Ethernet[1]-based services having total MRCs (net of applicable credits) of $12,000. The Ethernet[1]-based services replaced sixty (60) Subject Services. The Average Remaining Term of the terminated Subject Services is fourteen (14) months. The Average Subject Service MRC would be $225 (total Subject Service MRCs of $13,500 divided by sixty (60) Subject Services). Maximum Terminated Subject Services equals fifty-three (53) circuits (Ethernet[1]-based services' total MRCs (net of applicable credits) of $12,000 divided by the Average Subject Services MRC of $225), and Excess Terminated Subject Services equals seven (7) (sixty (60) terminated Subject Services minus fifty-three (53) Maximum Terminated Subject Services). The Customer must pay termination liability on the seven (7) Excess Terminated Subject Services. A termination liability charge is $11,025 (Average Remaining Term of fourteen (14) months, times the Average Subject Service MRC of $225, times fifty percent (50%), times seven (7) Excess Terminated Subject Services).

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(5) This Section 33.154.4(B)(5) shall apply to Subject Services purchased under the DS1 High Capacity Service Portability Commitment, as described in Section 7.4.18(E) of PBTC Tariff F.C.C. No. 1. The Customer will be eligible for a reduction to its Commitment Level (CL), as defined in Section 7.4.18(E), without such Termination Liability as would otherwise apply to a decrease in the Customer's CL, in the manner and to the extent provided below:

a. A CL reduction shall be available only if and when the Customer's total number of in-service DS1 Channel Terminations falls below eighty percent (80%) of the Customer's then-current CL.

b. Only DS1 Channel Terminations that are disconnected and replaced by Ethernet[1]-based services purchased from the Telephone Company, as provided in Section 33.154.4 (B) may be taken into account in any reduction of the Customer's CL.

c. Any reduction to the Customer's CL will apply only during the three (3) year term of the Customer's Portability Commitment, as was in effect as of the date of the Customer's subscription to this Contract Offer. As clarification, but not to modify the foregoing, any new Portability Commitment or renewal of a previously existing Portability Commitment shall not be eligible for a CL reduction under this Contract Offer.

d. The Customer must submit any request for a reduction in its CL to the Telephone Company, in writing, directed to both the Customer's account manager and the access service center.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(5) (Cont'd)

a. The amount of any reduction to the Customer's CL shall be determined by subtracting the number of Subject Services that have been replaced by Ethernet[1]-based services provided by the Telephone Company after July 6, 2009, or since the date of the last reduction to the Customer's CL, from the greater of: (i) the Customer's CL as of the time of the Customer's request for a CL reduction, or (ii) the actual number of the Customer's in-service DS1 Channel Terminations as of the time of the Customer's request for a CL reduction.

Example 1: The Customer's CL is initially 10,000 DS1 Channel Terminations, and the Customer initially has 11,000 DS1 Channel Terminations in service. The Customer then replaces 4,000 DS1 Channel Terminations with Ethernet[1]-based service purchased from the Telephone Company, which leaves the Customer with 7,000 in-service DS1 Channel Terminations, which is 1,000 Channel Terminations less than eighty percent (80%) of the Customer's CL (80% of 10,000 equals 8,000). Upon Customer's written request, the Telephone Company will decrease the Customer's CL to 7,000 channel terminations with no Termination Liability.

Example 2: The Customer's CL is initially 10,000 DS1 Channel Terminations, and the Customer initially has 11,000 DS1 Channel Terminations in service. The Customer then replaces 2,000 DS1 Channel Terminations with Ethernet[1]-based services provided by the Telephone Company. The Customer is not eligible for a reduction in its CL, because the Customer's in-service DS1 Channel Terminations still exceed eight percent (80%) of the Customer's CL.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company.

(N)

Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.5 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade,

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or
(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.154.5 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.154 Contract Offer No. 154 – DS1 and DS3 Service Offer (Cont'd)

33.154.6 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.155 Contract Offer No. 155 – Access Service Offer

33.155.1 General Description

The Special Access Service Offer (Contract Offer No. 155) is a Minimum Annual Revenue Commitment plan for (N) which concurrent subscription is required to this (Nx) Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 24; Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract No. 170; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 49; BellSouth Telecommunications, Inc. (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 72; and Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 194 (collectively, with this Contract Offer No. 155, Concurrently Subscribed Contract Offers). NBTC, SWBT, SNET, BellSouth and Ameritech, with the Telephone Company, shall be identified herein as the "Qualified Companies." (Nx)

(N)

Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers, Contract Offer No. 155 requires eligible Customers to make and satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 33.155.5. The MARC consists of certain recurring revenues from, in the aggregate, all MARC-eligible services purchased from Pacific Bell Telephone Company (PBTC or the Telephone Company), as defined and provided in this Contract Offer No. 155, and the MARC-eligible services as defined and provided in the other Concurrently Subscribed Contract Offers described in Section 33.155.3(C).

MARC-eligible services provided by the Telephone Company are described in Section 33.155.2, with the Subject Services set forth in Section 33.155.2(A), and Non-Subject Services set forth in Section 33.155.2(B).

Contract Offer No. 155 will be available for subscription only from November 11, 2010 through December 11, 2010. This offer is not renewable.

(x) Issued under Authority of Special Permission No. 10-025 of F.C.C. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.2 Subject and Non-Subject Services

MARC-eligible services under this Contract Offer No. 155 consist of both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Telephone Company and located within the "Operating Territory" of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory) except that in no event shall any services connecting to the Customer's or any of its Affiliate's cell sites, mobile telecommunications switching offices (MTSOs), or mobile switching centers (MSCs) be considered MARC-eligible services.

(A) Subject Services

Subject Services are pricing flexibility qualified access services or rate elements listed in Table A, below.

Table A – Subject Services

Category	Services Included
Interstate Special Access located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	DS1, DS3, SONET Ring Access Service (SRAS), except for any rate elements not subject to pricing flexibility

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.2 Subject and Non-Subject Services (Cont'd)

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below.

Table B – Non-Subject Services

Category	Services Included
Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs) and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief.	DS1, DS3, SONET Ring Access Service (SRAS) and rate elements not listed in Table A
Broadband Interstate Special Access	[1] Optical Carrier Network (OCN) Point to Point, Dedicated SONET Ring Service (DSRS), Multi-Service Optical Network (MON) Ring Service, GigaMAN®, DecaMAN® and Opt-E-MAN Services, Serial Component Video Service (SCVS), AVS 270 Video Service, HDTV
Intrastate Special Access	Intrastate services equivalent to the interstate services listed above as either Subject Services or Non-Subject Services

(C) All terms and conditions for those MARC-eligible services that are tariffed are governed by their respective tariff sections, except as noted in this Contract Offer No. 155. All terms and conditions for those MARC-eligible services that are not tariffed are governed by the applicable guidebooks, service guides or contracts. No service purchased by or on behalf of any Affiliate of Customer that is not a "Permitted Affiliate," as defined herein, and no service purchased by Customer , or any of its Permitted Affiliates, for its provision of wireless telecommunications services, shall constitute a Subject Service or Non-Subject Service under this Contract Offer. A "Permitted Affiliate," as that phrase is used in this Contract Offer, is an Affiliate of Customer that is identified by Customer on its LOS under this Contract Offer,. "Affiliate" is defined herein as set forth in the Communications Act of 1934, as amended. "Wireless telecommunications services" is defined as set forth in 47 CFR § 1.907.

[1] Interstate OCN PTP, DSRS, MON, GigaMAN,® DecaMAN,® and Opt-E-MAN® services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.2 Subject and Non-Subject Services (Cont'd)

(D) Subject Services and Non-Subject Services shall also include any additional similar or successor services which are provided by the Qualified Companies and were not available as of the effective date of this Contract Offer No. 155.

33.155.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 155:

(A) Contract Offer No. 155 is available for qualified special access services located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and those additional MSA's listed below. During the Term Period of this Contract Offer No. 155, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer No. 155.

Bakersfield, CA; Modesto, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(B) During the twelve (12) months prior to the Subscription Date, the Customer must have purchased services equivalent to those included among the Subject Services and Non-Subject Services under this Contract Offer, which services must have resulted in charges equivalent to those included in MARC-Eligible Charges under this Contract Offer (as defined in Section 33.155.4(C), below) during those twelve (12) months equal to no less than $800 million. (N)

(C) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to the following Contract Offers: (Nx)

- NBTC Tariff F.C.C. No. 1, Contract Offer No. 24;
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 155;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 170;
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 194;
- BellSouth Tariff F.C.C. No. 1, Contract Offer No. 72; and
- SNET Tariff F.C.C. No. 39, Contract Offer No. 49.

(Nx)

(x) Issued under Authority of Special Permission No. 10-025 of F.C.C.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.3 Eligibility Criteria

(D) As of the time of the Customer's subscription to this Contract Offer, the Customer may not be purchasing interstate or intrastate special access services from the Telephone Company pursuant to any pricing flexibility contract offer, broadband services agreement, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, other than the Concurrently Subscribed Contract Offers or any contract offer that will be terminated upon the Customer's subscription to Concurrently Subscribed Contract Offers.

33.155.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 155:

(A) Subscription.

To subscribe to Contract Offer No. 155, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all applicable and qualifying Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer No. 155 for itself and its Permitted Affiliates (hereafter referred to as "Eligible ACNAs"). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 155.

(B) Term Period

The term of this Contract Offer No. 155 (Term Period) shall begin on the date the Letter of Subscription (LOS) is signed by the last of the Customer and the Telephone Company (Subscription Date) and shall end on June 30, 2014, subject to extensions as provided in this Section 33.155.4(B). Term Year 1 shall begin on the Subscription Date and end on June 30, 2011, and shall consist of three quarters (from the Subscription Date to December 31, 2010; from January 1, 2011 to March 31, 2011; and from April 1, 2011 to June 30, 2011). Each subsequent Term Year shall consist of a period of twelve (12) consecutive months, beginning July 1st after the end of the previous Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.4 Terms and Conditions (Cont'd)

(B) Term Period (Cont'd)

The Term Period will be extended at the Customer's option by up to two (2) consecutive one-year extension periods if the Customer provides to the Telephone Company written notice of intent to extend this Contract Offer No. 155 for such an extension period, at least ninety (90) days prior to June 30, 2014, or with respect to the second extension, at least ninety (90) days prior to June 30, 2015. If the Customer fails to provide such notice, the Term Period ends on June 30, 2014, or after the first extension period on June 30, 2015, as applicable. The extension, if any, must apply to all of the Concurrently Subscribed Contract Offers.

(C) The Customer must satisfy a MARC, as described in 33.155.5(A), for each Term Year of this Contract Offer No. 155. The MARC shall be satisfied by gross billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (except (N)
Area Commitment Plan credits under the BellSouth Tariff (Nx)
F.C.C. No. 1, and those issued under this Contract Offer (Nx)
No. 155 and the other Concurrently Subscribed Contract (N)
Offers), as well as adjustments for overbilling, underbilling and billing dispute settlements addressed during the Annual True-up Process only for, in the aggregate, the MARC-eligible services, as set forth in Section 33.155.2 of this Contract Offer No. 155, and the MARC-eligible services, as similarly set forth in the other Concurrently Subscribed Contract Offers, which are purchased by and billed to Customer and its Permitted Affiliates (as each exists as of July 1, 2010) (or their permitted successors) under the Eligible ACNAs (collectively, "MARC-Eligible Charges"). The MARC-eligible services, as set forth in Section 33.155.2 of this Contract Offer No. 155, and the MARC-eligible services as similarly set forth in the other Concurrently Subscribed Contract Offers, are collectively referred as the "MARC-Eligible Services." The Customer's MARC-Eligible Charges shall specifically exclude non-recurring charges, usage-based charges and temporary service charges. A "permitted successor" is a successor-in-interest to the Customer or a Permitted Affiliate that is itself an Affiliate of Customer, provided, however, that charges for MARC-eligible services, as set forth in Section 33.155.2 of this Contract Offer No. 155, and charges for MARC-eligible services, as similarly set forth in the other Concurrently Subscribed Contract Offers, shall only be considered MARC-Eligible Charges to the extent that they would have prior to the transaction that resulted in such permitted successor. (N)

(x) Issued under Authority of Special Permission No. 10-025 of F.C.C.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.4 Terms and Conditions (Cont'd)

(D) Credits earned by the Customer under this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 33.155.6, below, and in the analogous sections of the other Concurrently Subscribed Contract Offers.

(E) Except as provided in Section 33.155.4(F), with respect to Contract Offer No. 146, credits earned under this Contract Offer No. 155 are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's generally applicable tariffs or other Contract Tariffs.)

(F) MARC-Eligible Services under this Contract Offer No. 155 may not be purchased pursuant to any pricing flexibility contract offer, broadband services agreement, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, other than the Concurrently Subscribed Contract Offers (any such precluded tariffs or agreements hereafter referred to as an "Other Commitment Agreement"), unless the Other Commitment Agreement expressly refers to this Contract Offer and expressly permits the Customer to purchase such services subject to both this Contract Offer and the Other Commitment Agreement. The word "purchase," as used in the foregoing sentence refers to the Customer obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed. If, as of the Effective Date of this Contract Offer, the Customer purchases services subject to PBTC Tariff F.C.C. No. 1, Contract Offer No. 146 (Prior Contract Offer), the Prior Contract Offer shall be terminated, without termination liability, simultaneously with the Customer's subscription to this Contract Offer and the Customer will therefore be permitted to subscribe to this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.4 Terms and Conditions (Cont'd)

(G) Purchase of Long Distance Voice Services:
The Customer must commit to purchasing, between August 1, 2010 and July 31, 2012, a single TDM-based long distance voice service and/or a single IP-based long distance voice service from an affiliate of the Telephone Company, including, but not limited to, ABN/OneNet,[1] representing aggregate recurring billed revenues of no less than $85 million over such two-year period, after applicable discounts, credits, and adjustments.

(H) Credits to be provided under this Contract Offer No. 155 will not be issued unless and until the Customer has paid all billed charges for MARC-Eligible Services due and owing as of the date the credits are issued (excluding amounts properly disputed), and is otherwise in material compliance with this Contract Offer.

(I) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 155.

(J) Commingling (as defined in PBTC Tariff F.C.C. No. 1, Section 2.6) of Subject Services provided pursuant to this Contract Offer No. 155 is prohibited.

[1] ABN/OneNet services are provided on a contractual basis outside of the tariff, including all terms and conditions. Rates, terms and conditions associated with ABN/OneNet services are available at http://new.serviceguide.att.com/ (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.5 Minimum Annual Revenue Commitment (MARC)

(A) MARC Establishment
The Customer must satisfy a MARC for each Term Year, as set forth in Table C, below, to be satisfied by MARC-Eligible Charges.

Table C

Term Year	**Minimum Annual Revenue Commitment**
Year 1	$491,166,666
Year 2	$846,000,000
Year 3	$848,000,000
Year 4	$848,000,000
Year 5 - First Optional Extension	$848,000,000
Year 6 - Second Optional Extension	$848,000,000

(B) MARC Calculations

Satisfaction of the MARC shall be determined according to MARC-Eligible Charges (defined in Section 33.155.4(C)). MARC-Eligible Charges include charges for MARC-Eligible Services that were in service as of the Subscription Date, as well as those placed in service during the Term Period.

(C) Failure to Satisfy the MARC

If the Customer fails to satisfy the MARC or a year-to-date pro-rated quarterly MARC, as the case may be, as determined in the Quarterly True-Up Process or the Annual True-Up Process, the Qualified Companies shall bill and the Customer shall pay the amount of the Quarterly Shortfall or Annual Shortfall (collectively "Shortfalls"), as applicable, as provided in Sections 33.155.6(B) and (C), below. Any Shortfalls shall be divided among this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for MARC-Eligible Charges under those contract offers.

Customer and the Qualified Companies shall attempt in good faith to complete the processes contemplated in the Quarterly True-Up and Annual True-Up, including making any payments or applying any credits resulting there from within ninety (90) days from the end of the respective quarterly period or Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(D) If Qualified Companies sell or dispose of more than one percent (1%) of their assets, or if the Customer sells or disposes of more than one percent (1%) of its assets used in purchasing services required to achieve any MARC, and any such sale or disposal materially impairs the Customer's ability to satisfy any MARC, the parties shall negotiate in good faith one or more replacement contract offers to reflect the impairment of such sale or disposal on Customer's ability to satisfy the affected MARC(s) and implement corresponding proportional reductions of the MARC(s) and Monthly MARC Credits (MMC).

33.155.6 Discounts and Other Credits

(A) Monthly Credits

For each month of a Term Year, the Customer is eligible for a single Monthly MARC credit under, collectively, this Contract Offer and the other Concurrently Subscribed Contract Offers (Monthly MARC Credits or MMCs).

The Qualified Companies will issue an MMC to the Customer for any month during a Term Year in which the Customer satisfies one-twelfth (1/12) of the MARC for that Term Year (Monthly MARC). If the Customer has not met the Monthly MARC, no credit will be given at that time, but Customer remains eligible to receive such MMCs at a later date in conjunction with the Quarterly and Annual True-Up processes as noted below.

The aggregate amount of Monthly MARC Credits for a Term Year under this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers shall be as provided in Table D, below. The Monthly Credits shall be divided among this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for the MARC-Eligible Charges. The Telephone Company will apply the portion of the MMC associated with this Contract Offer No. 155 to the Customer's bill no later than sixty (60) days from the end of the month in which the Monthly MARC was achieved. MMCs will be allocated among the Qualified Companies according to the amounts of revenue attributable to Subject Services and billed by the Qualified Companies during the relevant month. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.6 Discounts and Other Credits (Cont'd)

(A) Monthly Credits (Cont'd)

MMCs shall not be posted if the Customer is in material breach of this Contract Offer No. 155 or another Concurrently Subscribed Contract Offer, or in material breach of any other terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer.

Table D

Term Year	**Monthly MARC Credit (MMC)**
Year 1	$6,000,000
Year 2	$6,000,000
Year 3	$6,000,000
Year 4	$6,000,000
Year 5 - First Optional Extension	$6,000,000
Year 6 - Second Optional Extension	$6,000,000

(B) Quarterly True-up Process

(1) The Qualified Companies shall perform a MARC true-up calculation following each of the first three quarters of each Term Year of this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers (Quarterly True-up Process), provided that the Term Year 1 shall have such quarterly true-ups only for the first two of its three quarters. To perform such calculations, the Qualified Companies shall determine the Customer's aggregate MARC-Eligible Charges for the completed quarters of the Term Year, plus any Quarterly Shortfall(s) (defined in Section 33.155.6(B)(2) and analogous provisions of the other Concurrently Subscribed Contract Offers) previously paid by the Customer under this Contract Offer No. 155 and any of the other Concurrently Subscribed Contract Offers for the completed quarters of that Term Year (collectively, Year-to-Date Revenue), and shall compare that amount to the year-to-date pro-rated MARC, which shall be defined as the product of (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.6 Discounts and Other Credits (Cont'd)

(B) Quarterly True-up Process

(1) (Cont'd)

one-fourth of the MARC times the number of quarters included in each Quarterly True-up Process (Year-to-Date MARC), provided, however, that the pro-rated MARC attributable to each of the quarters of Term Year 1 shall be the product of one-third of the Term Year 1 MARC times the number of quarters included in the Term Year 1 Quarterly True-Up Process. Subsequent quarters will begin every three months thereafter, for the remainder of the Term Period.

(2) If, based on the Quarterly True-up Process, the Year-to-Date Revenue is less than the Year-to-Date MARC, the Qualified Companies will bill and the Customer will pay the amount equal to the difference between the Year-to-Date MARC and the Year-to-Date Revenue (Quarterly Shortfall). Any Quarterly Shortfall will be allocated among the Qualified Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant quarter. Upon payment of the Quarterly Shortfall, the Telephone Company shall issue (i) any MMC not previously issued for any month included in that Quarterly Review, and (ii) the MMC for the last month of that quarter. In lieu of making payment of the Quarterly Shortfall and subsequently receiving any MMCs due under this Section for that same quarter, Customer shall be entitled to have such amounts be netted such that if the Quarterly Shortfall exceeds the amount of any such MMCs, Customer pays a net Quarterly Shortfall equal to the net amount of such difference, or if the Quarterly Shortfall is less than the amount of any such MMCs, Customer makes no Quarterly Shortfall payment but rather receives net MMCs that reflect the net amount of such difference.

(3) If, based on the Quarterly True-up Process, the Customer's Year-to-Date Revenue is equal to or greater than the Year-to-Date MARC, the Telephone Company shall issue to the Customer any MMC(s) not previously issued for any month included in that Quarterly True-up Process due to Customer's failure to meet the Monthly MARC. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.6 Discounts and Other Credits (Cont'd)

(C) Annual True-up Process

(1) If, at the end of a Term Year, the Customer's MARC-Eligible Charges (ignoring any Quarterly Shortfall(s) previously paid by the Customer for that Term Year) are equal to, or greater than, the MARC for that Term Year, the Telephone Company will issue a credit for any Quarterly Shortfall(s) previously paid by the Customer for that Term Year (Reversing Credit), and shall issue to the Customer (i) any MMC(s) not previously issued for any month included in that Term Year, and (ii) the MMC for the last month of that Term Year. The Customer's MARC-Eligible Charges shall be adjusted by the net amount of only those billing adjustments for overbilling, underbilling, and billing dispute settlements during that Term Year that both: (i) are not already reflected in the MARC-Eligible Charge calculation via monthly recurring charge billing, and (ii) exceed, either individually or in the aggregate for a group of related adjustments, one million dollars ($1,000,000).

(2) If, at the end of a Term Year, the amount of the Customer's MARC-Eligible Charges plus any Quarterly Shortfall(s) previously paid for that Term Year is less than the MARC, for that Term Year, the Qualified Companies shall bill, and the Customer shall pay, an amount equal to the difference between (a) the MARC and (b) the Customer's MARC-Eligible Charges plus any shortfall(s) paid for that Term Year (Annual Shortfall). Any Annual Shortfall will be allocated among the Qualified Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year. Upon payment of the Annual Shortfall, the Telephone Company shall issue to the Customer (i) any MMC not previously issued for any month included in that Term Year, and (ii) the MMC for the last month of that Term Year. In lieu of making payment of the Annual Shortfall and subsequently receiving any MMCs due under this Section for that Term Year, Customer shall be entitled to have such amounts be netted such that if the Annual Shortfall exceeds the amount of any such MMCs, Customer pays a net Annual Shortfall equal to the net amount of such difference, or if the Annual Shortfall is less than the amount of any such MMCs, Customer makes no Annual Shortfall payment but rather receives net MMCs that reflect the net amount of such difference. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.6 Discounts and Other Credits (Cont'd)

(C) Annual True-up Process (Cont'd)

(3) If at the end of a Term Year, (a) the Customer's MARC-Eligible Charges are less than the MARC for that Term Year, but (b) the Customer's MARC-Eligible Charges plus any Quarterly Shortfall(s) previously paid by the Customer under this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers for that Term Year are greater than the MARC for that Term Year, then the Qualified Companies will issue a credit for the difference between (c) the Customer's MARC-Eligible Charges plus any Quarterly Shortfall(s) for that Term Year, less (d) the MARC for that Term Year (Partially Reversing Credit). Any such credits will be allocated among the Qualified Companies according to the amount of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant month. The Telephone Company shall issue (i) any MMC not previously issued for any month included in that Term Year, and (ii) the MMC for the last month of that Term Year.

(4) If, at the end of any Term Year except Term Year 1, the Customer's MARC-Eligible Charges (ignoring any Quarterly Shortfall(s) previously paid by the Customer for that Term Year) for that Term Year are greater than the MARC for that Term Year, the Telephone Company will issue a credit equal to ten percent (10%) of such excess (Above-the-MARC Credit Amount). The Above-the-MARC Credit Amount will be allocated among the Qualified Companies according to the amount of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA)

The terms and conditions of this Service Level Agreement (SLA) shall apply to Subject Services provided under this Contract Offer, in addition to any Credit Allowance for Service Interruptions available under PBTC Tariff F.C.C. No. 1, Section 2.4.4 or any credits pursuant to the Installation Interval Guarantee under PBTC Tariff F.C.C. No. 1, Section 2.4.5. SLA data will be gathered, tabulated and reported according to the Telephone Company's generally applicable network installation and maintenance operational rules, methods and procedures.

(A) Special Construction Reimbursement Fund (SCRF).

The Telephone Company shall establish on behalf of the Customer a Special Construction Reimbursement Fund (SCRF). Any credits issued to the Customer pursuant to the SLA will be applied to the SCRF. SCRF credits will be available to the Customer only to defray any Special Construction charges that apply to Subject Services. Any credits allocated to the SCRF must be used by the Customer within twelve (12) months after the end of the Term Year for which such credits were issued.

(B) Installation Interval.

(1) The Telephone Company must provide service by the confirmed due date for at least ninety percent (90%) of DS1 Subject Services and at least ninety-two percent (92%) of DS3 Subject Services (each to be referred to as an "Installation Credit Level"). If (i) installation of Subject Services falls below the applicable Installation Credit Level for six (6) consecutive calendar months (an "Installation Interval Failure") and (ii) the "Average Monthly Orders Amount" as defined in Section 33.155.7(B)(3), below, meets or exceeds the Monthly Benchmark, as defined in Table A in Section 33.155.7 (B)(3), then the Telephone Company will apply a credit to the SCRF in the amount listed in Table A, below, for each Subject Service for which the confirmed due date was not met during those six (6) calendar months. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA) (Cont'd)

(B) Installation Interval. (Cont'd)

(2) If (i) installation of Subject Services falls below the applicable Installation Credit Level for one or more additional consecutive months immediately following an Installation Interval Failure, and (ii) the "Average Monthly Orders Amount" as defined in Section 33.155.7 (B)(3), below, meets or exceeds the Monthly Benchmark, as defined in Table A in Section 33.155.7B)(3), then an additional credit will be applied to the SCRF for each such additional month(s). Such additional credits will be in the amount listed in Table A, below, for each Subject Service for which the confirmed due date was not met during any such additional calendar month(s). Multiple Installation Interval credits will not apply to any calendar month.

(3) The "Average Monthly Orders Amount," is the average number of Subject Service circuits, by circuit type, with confirmed due dates during any period of six (6) consecutive calendar months or, in the case of any additional calendar month subject to Section 33.155.7 (B(2), above, the average number of Subject Service circuits, by circuit type, with confirmed due dates during such additional calendar month and the preceding five (5) calendar months. The Monthly Benchmark, by circuit type, is listed in Table A, below.

Table A

Circuit Type	Monthly Benchmark	**Credit**
DS1	4,900	$250
DS3	300	$350

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA) (Cont'd)

(B) Installation Interval. (Cont'd)

Example 1.

	Month 1	**Month 2**	**Month 3**	**Month 4**	**Month 5**	**Month 6**	**Month 7**	**Month 8**	**Month 9**
DS3	97.2%	89.7%	89.8%	89.1%	90.9%	89.3%	89.3%	91.6%	94.0%
SUBJECT SERVICES WITH DUE DATES IN EACH MONTH	322	339	315	320	299	308	356	297	336
Average Monthly Orders Amount	NA	NA	NA	NA	NA	NA	322.8 (average of months 2-7)	315.8 (average of months 3-8)	NA
DD MISSES	9	35	32	35	27	33	38	25	20

In Example 1, the Telephone Company's installation of DS3 Subject Services fell below Credit Level (92%) during six consecutive months (Months 2 through 7). In each of those months, the Average Monthly Orders Amount (i.e., the six-month average number of DS3 Subject Services with confirmed due dates) exceeded the applicable Monthly Benchmark (300). The applicable credit would be calculated by adding the total number of Subject Services that were not installed by the applicable confirmed due dates (DD Misses) and multiplying that number by the applicable credit amount ($350).

(Month 2 DD Misses + Month 3 DD Misses + Month 4 DD Misses + Month 5 DD Misses + Month 6 DD Misses + Month 7 DD Misses) x Credit Amount = Total Credit, or

(35 + 32 + 35 + 27 + 33 + 38) x 350 = $70,000 Total Credit

In Month 8, the Telephone Company again failed to install service at or above the Credit Level, and the Average Monthly Orders Amount (i.e., the six-month rolling average number of monthly orders with confirmed due dates (for Months 3 through 8)) exceeded the Monthly Benchmark (300). An additional credit would be issued for Month 8 only. No additional credits would be issued for the preceding six months, since a credit was already issued for those months.

Month 8 DD Misses x Credit Amount = Total Credit
25 x $350 = $8,750 (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA) (Cont'd)

(C) Service Interruptions.

(1) Service Restoration Interval.

(a) The Telephone Company will restore service within four (4) hours after the Telephone Company receives the applicable trouble report for at least forty eight percent (48%) of all service interruptions for DS1 Subject Services and for at least sixty five percent (65%) of all service interruptions for DS3 Subject Services (each to be referred to as a "Service Restoration Credit Level"). If (i) service restoration falls below the applicable Service Restoration Credit Level for six (6) consecutive months (a "Service Restoration Failure"), and (ii) the number of trouble reports in each such month meets or exceeds the "Monthly Trouble Report Minimum," as defined in Section 33.155.7 (C)(1)(a), below, then the Telephone Company will apply a credit to the SCRF in the amount listed in Table B, below, for each trouble report for which service was not restored within the Restoration Interval during those six (6) calendar months.

(b) If (i) service restoration falls below the Service Restoration Credit Level for one or more additional consecutive months immediately following a Service Restoration Failure, and (ii) the number of trouble reports for each such month(s) meets or exceeds the "Monthly Trouble Report Minimum," as defined in Section 33.155.7 (C)(1)(a), below, then the Telephone Company will apply an additional credit to the SCRF in the amount listed in Table B, below, for each trouble report for which service was not restored within the applicable Restoration Interval during each such additional calendar month(s). Multiple Service Restoration credits will not apply to any calendar month.

(c) The "Monthly Trouble Report Minimum", by circuit type, is set forth in Table B, below.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA) (Cont'd)

(C) Service Interruptions. (Cont'd)

(1) Service Restoration Interval. (Cont'd)

Table B

Circuit Type	Monthly Trouble Report Minimum	Credit
DS1	4,000	$100
DS3	125	$350

Example 2:

DS1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
FF TRBL REPORTS	3937	4000	4184	4553	4032	4532	4601	4035	4005
TTR > 4.0	1302	2149	1506	2396	2168	2709	2417	2139	2099
% ≤ 4.0	66.93%	46.28%	64.01%	47.38%	46.23%	40.23%	47.47%	46.99%	47.59%

In Example 2, the Telephone Company restored service in four hours or less for fewer than 48% of DS1 Subject Services during six consecutive months (Months 4 through 9). During each of those months, the number of trouble reports for DS1 Subject Services met or exceeded the Trouble Report Minimum. The applicable credit would be calculated by adding the total number of Subject Services that were not repaired within the 4 hour timeframe (TTR>= 4.0) and multiplying that number by the applicable credit amount ($100).

(Jul TTR≤4 + Aug TTR≤4 + Sept TTR≤4 + Oct TTR≤4 + Nov TT≤4 + Dec TTR≤4) x Credit Amount = Total Credit

Or

(2396 + 2168 + 2709 + 2417 + 2139 + 2099) x $100 = $1,392,800 (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA) (Cont'd)

(C) Service Interruptions. (Cont'd)

(1) Repeat Trouble.

(a) No more than twenty-three percent (23%) of all DS1 trouble tickets and eleven percent (11%) of all DS3 trouble tickets closed by the Telephone Company (each to be referred to as a "Repeat Trouble Credit Level") during any calendar month shall be for circuits that have had one or more trouble tickets in the previous thirty (30) calendar days. If (i) the percentage of repeat trouble exceeds the Repeat Trouble Rate for six (6) consecutive months (a "Repeat Trouble Failure"), and (ii) the number of trouble reports in each such month meets or exceeds the "Monthly Trouble Report Minimum," as defined below, then the Telephone Company will apply a credit to the SCRF in the amount listed in Table C, below, for each repeat trouble report during those six (6) calendar months.

(b) If (i) repeat troubles exceed the Repeat Trouble Credit Level for one or more additional months immediately following a Repeat Trouble Failure, and (ii) the number of trouble reports in each such month meets or exceeds the "Monthly Trouble Report Minimum," as defined below, then the Telephone Company will apply an additional credit to the SCRF in the amount listed in Table C, below, for each repeat trouble report during each such additional calendar month. Multiple Repeat Trouble credits will not apply to any calendar month.

(c) The "Monthly Trouble Report Minimum", by circuit type, is set forth in Table C, below.

Table C

Circuit Type	Monthly Trouble Report Minimum	Credit
DS1	4,000	$100
DS3	125	$350

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 - Access Service Offer (Cont'd)

33.155.7 Service Level Agreements (SLA) (Cont'd)

(C) Service Interruptions. (Cont'd)

(2) Repeat Trouble. (Cont'd)

Example 3.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9
DS1	16.5%	17.1%	25.0%	25.2%	25.5%	25.1%	25.0%	25.4%	19.3%
REPEATS	494	584	999	1101	1098	1028	1005	1016	643
TRBL RPTS	2996	3416	4002	4361	4310	4101	4023	4000	3333

In Example 3, more than 23% measure of all troubles were classified as repeat troubles for six consecutive months (Months 3 through 8), and Customer trouble reports in each such month exceeded the Monthly Trouble Report Minimum. A credit of $624,700 would be applied to the SCRF.

(999+1101+1098+1028+1005+1016) x 100 = $624,700

33.155.8 Assignment/Transfer/Successors

(A) Neither party shall assign or otherwise transfer this Contract Offer No. 155 or its rights or obligations hereunder to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that Customer shall have the right, without the consent of but with notice to the Telephone Company, to assign or otherwise transfer the entirety of this Contract Offer No. 155 to any Permitted Affiliate, so long as: (i) the other Concurrently Subscribed Contract Offers are likewise assigned or otherwise transferred in their entirety to that same Affiliate; and (ii) that Affiliate otherwise qualifies under this Contract Offer No. 155 and the other Currently Subscribed Contract Offers. Any assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers; any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers; any assignment or transfer by the Customer shall be subject to the provisions of Section 33.155.7(B), below, and the assignor or transferor will remain (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.8 Assignment/Transfer/Successors

(A) neither financially responsible for the performance of this Contract Offer No. 155 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 155 or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void.

(B) Subject to the provisions of Section 33.155.7(A), above, the Customer may assign or transfer this Contract Offer if (i) the proposed assignee or transferee demonstrates credit worthiness under both (1) and (2), below (and if (1) and (2) are not applicable to Customer, then (3) shall apply); and (ii) neither the proposed assignee or transferee nor its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it) at any time during the Term Period.

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(b) "high risk" in a Paydex score as published by Dun and Bradstreet.

(3) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (1) or (2) of this Section 33.155.7(B) is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.9 Mergers/Acquisitions and Sales/Divestitures

All provisions of this Contract Offer No. 155 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger of acquisition, if another entity involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 155 for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. Purchases by the other entity shall not be part of any calculation hereunder, including, without limitation, as a MARC-Eligible Service, as generating MARC-Eligible Charges, to determine achievement of the MARC, in fulfilling the commitment set forth in this Contract Tariff 33.155.5(A), or be eligible for any credits under this Agreement.

33.155.10 Termination

(A) Termination Liability Charge

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 155 or any of the other Concurrently Subscribed Contract Offers for any reason other than material breach by the Telephone Company or one of the other Qualified Companies, or if the Telephone Company terminates this Contract Offer No. 155 or if one of the other Qualified Companies terminates its other Concurrently Subscribed Contract Offer as a result of a material breach by the Customer, then this Contract Offer No. 155 shall be terminated (if not already terminated) and the Customer shall pay a termination liability charge in the aggregate amount of (i) the Pro-rated True-Up Amount (as defined below), if any, (ii) either (a) 20.57% of the unsatisfied MARC for Term Year 1, if termination occurs in Term Year 1, or (b) twelve percent (12%) of the unsatisfied MARC for the remainder of any Term Year after Term Year 1, in which termination occurs, in either case beginning immediately after the period covered by the Pro-rated True-Up Amount, (iii)twelve percent (12%) for each Term Year remaining after the Term Year in which termination occurs, and (iv) the last two (2) MMCs earned by the Customer. (If such earned MMCs have not yet been issued by the Telephone Company, the Customer shall not repay such MMCs. Instead, such MMCs will not be issued.) (N)

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ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.10 Termination (Cont'd)

(A) Termination Liability Charge (Cont'd)

The "Pro-rated True-Up Amount" will be equal to the difference, if any, between the pro-rated MARC for that Term Year under this Contract Offer, as of the termination effective date, minus the aggregate of (a) the MARC-Eligible Charges, and (b) any Quarterly Shortfall charges paid for the Term Year in which the termination occurs.

For avoidance of doubt, if the Pro-rated True-Up Amount is a negative number (i.e., Customer has, on a year-to-date basis, paid MARC-Eligible Charges and Quarterly Shortfall charges in excess of the pro-rated MARC for that Term Year as of the termination effective date), the Pro-rated True-Up Amount shall be zero, and the amount of termination liability owed by Customer under this section shall be reduced as follows:

(1) by either 20.57% if termination occurs during Term Year 1, or twelve percent (12%) if termination occurs during any other Term Year, of the excess, if any, of
(a) the MARC-Eligible Charges for that Term Year, over
(b) the pro-rated MARC for the period covered by the Pro-rated True-Up Amount;

(2) if there is a reduction under Section 33.155.9(A)(1), by the amount of any Quarterly Shortfall charges paid for that Term Year**; or**

(3) if there is no reduction under Section 33.155.9(A)(1), then by the excess of
(a) the MARC-Eligible Charges and Quarterly Shortfall charges paid for that Term Year, over
(b) the pro-rated MARC for the period covered by the Pro-rated True-Up Amount

If the aggregate reduction under Section 33.155.9(A)(1) and (2), or the reduction under Section 33.155.9(A)(3), exceeds the amount of the termination liability owed by Customer under this Section, then the Telephone Company shall issue a credit in the amount of such excess. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.10 Termination (Cont'd)

(A) Termination Liability Charge (Cont'd)

The Customer will pay in full the termination liability thirty (30) days after notice by the Telephone Company. This termination liability charge shall apply in addition to, and shall not affect, any termination liability charges that may otherwise apply according to the terms of any applicable PCTC Tariff F.C.C. No. 1.

(B) If, during the Term Period, the Tariff and/or Guidebook monthly recurring charges (MRCs) applicable to Subject and Non-Subject Services, as listed in this Section, below, under this Contract Offer and the other Concurrently Subscribed Contract Offers, are reduced by a cumulative total of thirty percent (30%), as compared to the rates applicable to Subject and Non-Subject Services on the Subscription Date, either party may terminate this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers without incurring any termination liability charge that would otherwise be due under this Contract Offer No. 155, upon sixty (60) day advance written notice to the other party. Such option to terminate shall be exercisable to this Contract Offer No. 155 and the other Concurrently Subscribed Contract Offers as a package; neither party can terminate less than all of them. To determine whether such a rate reduction has occurred, the Qualified Companies will take the following steps.

Within sixty (60) days after the Subscription Date of this Contract Offer No. 155, the Qualified Companies will perform an analysis of the Initial Rates (Initial Rate Analysis). The Initial Rate Analysis will be based on the actual quantities of the rate elements, below, and the actual quantities of those rate elements listed in the analogous section of the other Concurrently Subscribed Contract Offers, in each case being purchased by the Customer and its Permitted Affiliates as of the Subscription Date.

1. DS-1: Channel Terminations (CT), Channel Mileage (CM) fixed and CM per mile;

2. DS-3: CT, CM fixed, CM per mile and Multiplexing (MUX); (N)

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SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.155 Contract Offer No. 155 – Access Service Offer (Cont'd)

33.155.10 Termination (Cont'd)

(B) (Cont'd)

3. SONET Dedicated Ring Service[1]: Central Office and Customer Premises Nodes, Add/Drop Capability, Ports, Mileage, Optical to Electrical DS1 Add/Drop Capability and Regenerators; and

4. Optical Carrier Network Point-to-Point (OCN PTP) Services[1]: Local Distribution Channel, Interoffice Transport, Collocation Transport, Add/Drop Function, Add/Drop Multiplexing, Protection and Regenerators.

During the Term Period, the Customer may request an analysis of the rates applicable to rate elements listed in Section 33.155.9(B) and those rate elements listed in the analogous section of the other Concurrently Subscribed Contract Offers, as of the end of any Term Year. To request such an analysis, the Customer must provide the Qualified Companies with written notice within sixty (60) days after the end of the Term Year to which the request applies. Following such a request, the Qualified Companies shall perform an analysis of the rates applicable to the rate elements listed in Section 33.155.9(B) and to those rate elements listed in the analogous sections of the other Concurrently Subscribed Contract Offers, using the same rate elements and quantities as were evaluated in the analysis of the Initial Rates (EOY Rate Analysis). The Initial Rate Analysis will be compared with the EOY Rate Analysis to determine the change, if any, in the rates applicable to Subject and Non-Subject Services.

[1] Interstate OCN PTP and DSRS services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (N)

33.156.1 General Description

Contract Offer No. 156, Special Access DS1 and DS3 Service Offer (Contract Offer No. 156), is a Minimum Volume (N) Commitment plan for special access for which concurrent (Nx) subscription is required to this Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 25; Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 203, BellSouth Telecommunications LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 73, and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73 Contract Offer No. 175, (collectively, with this Contract Offer No. 156, Concurrently Subscribed Contract Offers). NBTC, Ameritech, BellSouth, SWBT and Pacific Bell Telephone Company (PBTC) shall be identified herein as the "Qualified Companies."

Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 156 and the other Concurrently Subscribed Contract Offers, Contract Offer No. 156 requires eligible Customers to make and satisfy Minimum Volumes, as defined in Section 33.156.5. The Minimum Volumes consist of certain Subject Services purchased from PBTC Tariff F.C.C. No. 1, and the other Qualified Companies as provided in this Contract Offer. (Nx)

This Contract Offer is available for subscription from (N) August 25, 2011 through September 25, 2011. This Contract Offer is not renewable.

33.156.2 Subject Services

(A) This Contract Offer applies to pricing Subject Services contained in the following tariff sections: PBTC Tariff F.C.C. No. 1, Sections 6, 7 and 31 – DS1 and DS3 High Capacity Service.

(B) Subject Services must be located in the Pricing Flexibility MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in PBTC Tariff F.C.C. No. 1, Section 31. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services eligible for the discounts under this Contract Offer No. 156. (N)

(x) Filed under the authority of Special Permission No. 11-013 of the F.C.C.

ACCESS SERVICE

33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.3 Eligibility Criteria

The Customer must meet the following Eligibility Criteria as of the date this Contract Offer becomes effective (Effective Date):

(A) All Subject Services must terminate on Customer's Wireless Network.

(B) All Subject Services must subtend a SONET[1] ring service purchased by the Customer from the Telephone Company.

(C) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have in service no fewer than sixteen thousand (16,000) and no more than seventeen thousand (17,000) DS1s, and no fewer than one thousand two hundred (1,200) and no more than one thousand three hundred (1,300) DS3 access circuits from the Qualified Companies, each of which terminates at a Qualified Cell Site. (N)

(D) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to the following Contract Offers: (Nx)

- o NBTC Tariff F.C.C. No. 1, Contract Offer No. 25;
- o SWBT Tariff F.C.C. No. 73, Contract Offer No. 175;
- o Ameritech Tariff F.C.C. No. 2, Contract Offer No. 203; and
- o BellSouth Tariff F.C.C. No. 1, Contract Offer No. 73. (Nx)

33.156.4 Terms and Conditions (N)

(A) Term Period

The term of this Contract Offer (Term Period) shall be sixty (60) months, commencing on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer. Upon expiration of the Term Period, the rates and terms and conditions of this Contract Offer shall no longer apply, and Subject Services shall be provided at the prevailing month-to-month rates in PBTC Tariff F.C.C. No. 1, Section 7.

[1]Dedicated SONET Ring Service (DSRS) services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

(x) Filed under the authority of Special Permission No. 11-013 of the F.C.C.

ACCESS SERVICE

33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions

(1) Subject Services are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No. 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the terms and conditions of this Contract Offer. If any provision of this Contract Offer conflicts with any otherwise applicable provisions of PBTC Tariff F.C.C. No. 1, Section 2, 5 or 13, this Contract Offer shall govern over the conflicting provision.

(2) All traffic transmitted over Subject Services must originate or terminate at a Mobile Switching Center (MSC) operated by the Customer.

(3) All terms and conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(4) Subject Services eligible for credits under this Contract Offer shall not be included in any other pricing flexibility contract offer, unless expressly permitted by such other pricing flexibility contract offer or other arrangement.

(5) Jointly provided access services may be included as Subject Services under this Contract Offer, provided such services meet the terms and conditions herein. Such Subject Services shall be eligible for the credits provided in this Contract Offer, but such credits will be applicable only to the portion of such services provided by the Telephone Company. Jointly Provided Access Services will be counted for purposes of determining the Customer's compliance with the DS1 and DS3 Volume Commitments set forth in Section 33.156.5 of this Contract Offer. (N)

33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(6) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company, which must include a list of eligible Access Customer Name Abbreviations (ACNAs) under which the Subject Services pursuant to this Contract Offer may be purchased. Subject Services ordered or purchased under other ACNAs may not be transferred or converted to this Contract Offer.

(7) If, as of the Subscription Date of this Contract Offer, the Customer purchases services pursuant to PBTC Tariff F.C.C. No. 1, Contract Offer No. 133, this Contract Offer shall supersede Contract Offer No. 133. The Customer's subscription to Contract Offer No. 133 shall be terminated and "Subject Services" under Contract Offer No. 133 shall be provided pursuant to this Contract Offer. Customer shall not incur any termination liability under Contract Offer No. 133 as a result of the supersedure of Contract Offers No. 133.

(8) Commingling shall be as defined in PBTC Tariff F.C.C. No. 1, Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(9) Credits earned under this Contract Offer No. 156 are in addition to, and do not alter, any discounts, term plans or other rates available in the Telephone Company's tariffs, except for those pricing flexibility contract tariffs superseded by the Concurrently Subscribed Tariffs. (N)

ACCESS SERVICE

33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(10) With the exception of the Concurrently Subscribed Contract Offers, the Customer shall not purchase special access services pursuant to any pricing flexibility contract offer, broadband services agreement, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment (any such precluded tariffs or agreements hereafter referred to as an "Other Commitment Agreement"), unless the Other Commitment Agreement expressly refers to this Contract Offer and expressly permits the Customer to purchase such services subject to both this Contract Offer and the Other Commitment Agreement. The word "purchase," as used in the foregoing sentence refers to the Customer obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed.

33.156.5 Minimum Volume Credits

(A) The Telephone Company will issue credits to the Customer as provided in this Section 33.156.5(B), conditioned on the Customer's purchase of the minimum volumes of Subject Services from the Qualified Companies, as set forth below ("Minimum Volumes").

(1) During each month of the Term Period, the Customer must be purchasing from the Qualified Companies, in total, a minimum of sixteen thousand seven hundred and nineteen (16,719) DS1 Subject Services.
(2) During each month of the Term Period, the Customer must be purchasing from the Qualified Companies, in total, a minimum of one thousand two hundred and nine (1209) DS3 Subject Services.

(B) If the Customer satisfies the minimum volume conditions, the Telephone Company will issue credits to the Customer in the amount of thirty dollars ($30) for each DS1 in excess of the Minimum Volumes identified in Section 33.156.5.A.1, and one hundred dollars ($100) for each DS3 in excess of the Minimum Volumes identified in Section 33.156.5.A.2, which shall be distributed among the Qualified Companies as provided herein. Credits shall be applied to "Subject Services" provided pursuant to the Concurrently Subscribed Contract Offers according to the installation date, with credits being applied to the most recently installed Subject Services first. (N)

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ACCESS SERVICE

33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.6 Replacement of Subject Services with Ethernet-Based Services[1]

(A) The Customer may terminate DS1 Subject Services without termination liability charges, provided that the following conditions have been met.

(1) The Subject Service must have been in service for at least six (6) months prior to termination.

(2) The Subject Service must have been replaced by Ethernet-based service[1] provided to the Customer by the Telephone Company at the same Qualified Cell Site, with Ethernet[1] bandwidth of no less than 5 Mbps per Customer cell site (Replacement Service).

(3) No lapse in billing may have occurred between the termination of the Subject Service and the installation of the Replacement Service.

(B) The Customer may qualify for credits to be applied against termination liability charges billed for terminated DS3 Subjects Services ("DS3 Credits"), provided that the following conditions have been met.

(1) The Subject Service must have been continuously in service since the Effective Date of this Contract Offer.

(2) The Subject Service must have been in service for at least twenty-four (24) months prior to termination.

(3) No lapse in billing may have occurred between the termination of the Subject Service and the installation of the Replacement Service.

[1]Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.6 Replacement of Subject Services with Ethernet-Based Services[1]

(B) (Cont'd)

The Telephone Company will calculate and issue (when applicable) DS3 Credits for each three (3) month period during the Term Period, beginning from the Subscription Date (each such period to be referred to as a "Quarter"). DS3 Credits will be based on the equivalent of one terminated DS3 Subject Service for every twenty-eight (28) DS1 Subject Services that have been terminated without termination liability pursuant to Section 33.156.6(A), above, during the relevant Quarter ("Eligible DS1s"). The Telephone Company will determine the number of Eligible DS1s for the Quarter, divide the number of Eligible DS1s by twenty-eight (28), and round the quotient down to the nearest whole number. The result of this calculation will be referred to as the "DS3 Termination Allowance." The amount of the DS3 Credit will be calculated by multiplying the DS3 Termination Allowance times the average amount of all termination liability charges billed to the Customer per terminated DS3 Subject Service during the Quarter ("Average DS3 TLC").

Formula: DS3 Termination Allowance x Average DS3 Termination Liability Charge = DS3 Credit

Example: During Quarter X of the Term Period, the Customer terminates 165 DS1 Subject Services without termination liability, as provided in Section 33.156.6(A). During Quarter X, the Customer also terminates 6 DS3 Subject Services. Total termination liability charges for the terminated DS3 Subject Services are $24,000. The DS3 Termination Allowance is 5 (165/28 = 5.89). The Average DS3 TLC is $4,000 ($24,000/6 = $4,000). The DS3 Credit is $20,000 ($4,000 x 5 = $20,000). (N)

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33.156 Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer (Cont'd) (N)

33.156.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 2, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly, or indirectly, more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33.156 <u>Contract Offer No. 156 – Special Access Wireless DS1 and DS3 Service Offer</u> (Cont'd) (N)

33.156.8 <u>Mergers/Acquisitions</u>

All provisions of this Contract Offer shall continue in full force and effect notwithstanding any merger or acquisition affecting the Customer. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.157 Contract Offer No. 157 Special Access

33.157.1 General Description

This DS1/DS3 Service Offer (Contract Offer No. 157) is an access services discount pricing plan that permits Customers who meet the Eligibility Criteria in Section 33.157.3, and the Terms and Conditions in Section 33.157.4, to purchase Subject Services in Section 33.157.2 at discounted rates listed in Section 33.157.5. Subject Services under Contract Offer No. 157 are available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) described in Section 33.157.3(B). Contract Offer No. 157 is available for subscription from October 6, 2011 through November 6, 2011. This Contract Offer is not renewable.

33.157.2 Subject Services

(A) Contract Offer No. 157 applies to the following pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Section 7 or 31.5.2.7 - DS3 High Capacity Service;
(2) PBTC Tariff F.C.C. No. 1, Section 7, or 31.5.2.7 - DS1 High Capacity Service.

(B) All terms and conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

33.157.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 157 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 33.157.2(A).

(B) Subject Services must be located in the Los Angeles/Long Beach, CA MSA.

(C) All traffic carried over Subject Services must originate or terminate at a Mobile Switching Center (MSC) operated by, or on behalf of, the Customer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.3 Eligibility Criteria (Cont'd)

(D) As of the date the Customer subscribes to this Contract Offer, the Customer must be purchasing one or more Dedicated SONET Ring Services (DSRS)[1] from the Telephone Company with a capacity of OC-192 or greater, which must have been in service on or before the effective date of this Contract Offer.

(E) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have been purchasing no fewer than two thousand (2000) DS1 circuits and fifty (50) DS3 circuits in the Los Angeles/Long Beach, CA MSA.

33.157.4 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) shall be five (5) years, beginning on the date the Telephone Company receives a signed Letter of Subscription from the Customer (Subscription Date).

At the expiration of the Term Period, or upon termination of this Contract Offer for any reason other than material breach by the Telephone Company, Subject Services will be provided at the Term Payment Plan ("TPP") rates in Section 31 for the remainder of the Service Term applicable to each Subject Service.

[1] Dedicated SONET Ring Service (DSRS)is now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.4 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

Rate stability under Contract Offer No. 157 shall apply only to the rates specific to this Contract Offer, as provided in the Rate Tables in Section 33.157.5 of this Contract Offer. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer. Subject Services are also subject to general terms and conditions of PBTC F.C.C. Tariff No. 1, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

(B) Each Subject Service purchased under this Contract Offer, whether initially ordered under this Contract Offer or previously purchased by the Customer and converted to this Contract Offer, shall be subject to a sixty (60) month term commitment, beginning on the date such Subject Service is installed or converted, as applicable (Service Term). If any Subject Service is disconnected by the Customer, or by the Telephone Company as a result of any breach of this Contract Offer or any other applicable tariff provision, prior to the completion of the applicable Service Term during the Term Period, except as provided in 33.157.6, the Customer will be liable for termination liability charges as provided in this Contract Offer Section 33.157.9.

(C) Within thirty (30) days after the Subscription Date, the Customer must convert to this Contract Offer the following quantities of existing services located in the Los Angeles/Long Beach, CA MSA: (i) two thousand (2000) DS1 circuits, and (ii) fifty (50) DS3 circuits. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.4 Terms and Conditions (Cont'd)

(D) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer (Eligible ACNAs). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer.

(E) If the Customer discontinues Subject Services under this Contract Offer, and/or terminates this Contract Offer in its entirety during the Term Period, termination liability charges will apply in accordance with Section 33.157.9.

(F) Any additional service, features or functions not included in Section 33.157.5 of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to Section 31 - Metropolitan Statistical Area Access Services.

(G) All Subject Services must subtend DSRS[1] purchased from the Telephone Company and having a capacity of at least OC-192.

(H) Subject Services shall not be included in any other pricing flexibility contract offer, promotional offering, discount plan or other arrangement, unless expressly permitted by such other pricing flexibility contract, promotional offering, discount plan offer or other arrangement.

[1] Dedicated SONET Ring Service (DSRS)is now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.4 Terms and Conditions (Cont'd)

(I) If, as of the Subscription Date of this Contract Offer, the Customer is purchasing services pursuant to PBTC Tariff F.C.C. No 1, Contract Offer No. 95, this Contract Offer shall supersede Contract Offer No. 95. The Customer will be permitted to terminate its subscription to Contract Offer No. 95 and to convert such Subject Services pursuant to this Contract Offer without termination liability under Contract Offer No. 95.

(J) Commingling (as defined in PBTC Tariff F.C.C. No 1, Section 2.6) of Subject Services provided pursuant to this Contract Offer No. 157 is prohibited.

33.157.5 Rates and Charges

(A) The Telephone Company will initially bill the Customer according to the applicable sixty (60) month, Monthly Recurring Charges ("MRCs"). The Customer will then be credited in an amount equal to the percentages listed in Tables A-C, below, off the applicable sixty (60) month MRCs for the rate elements listed in Tables A-C, below. Credits will be applied monthly in arrears. Taxes, if applicable, will be charged on the sixty (60) month MRC rates, but will not be included in the credits applied to, or otherwise affected by, the credits applied to the Customer's bill.

Table A

Rate Element	USOC	Credit
INTEROFFICE CHANNEL MILEAGE Fixed	1L5XX	15%
INTEROFFICE CHANNEL MILEAGE Per mile	1L5XX	15%
CENTRAL OFFICE MULTIPLEXING - DS3 TO DS1 - Per Arrangement	MQ3/MQ4	15%

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.5 Rates and Charges (Cont'd)

Table B

Rate Element	USOC	Credit
DS3 CHANNEL TERMINATION - Per Point of Termination	Z3MA+	2%

Table C

Rate Element	USOC	Credit
DS1 CHANNEL TERMINATION - Per Point of Termination	TMECS	7%
INTEROFFICE CHANNEL MILEAGE Fixed	1L5XX	7%
INTEROFFICE CHANNEL MILEAGE Per mile	1L5XX	7%

33.157.6 Service Replacement

(A) The Customer may disconnect any Subject Service prior to the expiration of the applicable Service Term during the Term Period, provided that: (i) the Customer replaces the disconnected Subject Services with Ethernet[1]-based services purchased from the Telephone Company; (ii) such Ethernet[1]-based services are provided at total MRCs equal to, or greater than, those applicable to the Subject Services being replaced; and (iii) any such Ethernet[1]-based service is subject to a term commitment of sixty (60) months or more. The Customer will be deemed to have replaced Subject Services with Ethernet[1]-based services, within the meaning of this Contract Offer, if, but only if, such Ethernet[1]-based services have been installed prior to the time of disconnection of the terminated Subject Services used to provide service to the same Customer location.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.6 Service Replacement (Cont'd)

(B) The Customer's compliance with Section 33.157.6(A), clauses (i) and (ii) of this Contract Offer, will be determined as provided in this Section 33.157.6(B). The Telephone Company will conduct a review for each six (6) month period during the Term Period (Measurement Period), beginning six (6) months after the Subscription Date. If this Contract offer is terminated prior to the end of the Term Period, either by the Customer or by the Telephone Company as a result of Customer's breach, the final Measurement Period will consist of the period between the end of the previous Measurement Period and the date of such termination.

(C) For all Customer locations for which the Customer has purchased Subject Services under this Contract Offer and subsequently purchases Ethernet[1]-based services offered by the Telephone Company, the total MRCs applicable to all Subject Services (including both DS1 and DS3 Subject Services) that were disconnected during the Measurement Period (Total Terminated Subject Service MRC) will be compared to the total MRCs applicable to the Ethernet[1]-based services purchased to provide service to the locations served by the disconnected Subject Services (Total Ethernet[1] MRC). For purposes of the comparison, the MRCs of both Subject Services and Ethernet[1]-based services will be calculated net of all of applicable credits. If the Total Terminated Subject Services MRC is greater than the Total Ethernet[1] MRC during any Measurement Period, the Telephone Company will bill, and the Customer must pay, the difference between Total Terminated Subject Services MRC and Total Ethernet[1] MRC (Shortfall). The Customer must pay the Shortfall within thirty (30) days after the Shortfall has been billed to the Customer by the Telephone Company. The Shortfall charge will apply in lieu of otherwise applicable termination liability charges. If the Customer fails to pay any Shortfall charge when due, termination liability charges will apply to any Subject Services disconnected during the relevant Measurement Period, as provided in PBTC F.C.C. Tariff No. 1, Section 7. If the Total Terminated Subject Services MRC is less than or equal to the Total Ethernet[1] MRC during any Measurement Period, no Shortfall or termination liability charges will apply to any Subject Services terminated during that Measurement Period.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless: 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.157.7 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.8 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.157.9 Termination

Termination liability, as described below, applies in lieu of the termination liability provisions of PBTC Tariff F.C.C. No. 1, Sections 7, 20, 29, 31 or 32. Termination liability charges shall become due as of the effective date of the termination.

(A) If, as of the time of termination, the Customer has not converted the minimum quantities of Subject Services required by Section 33.157.4(C), Customer will be liable for a termination charge which shall be equal to: (i) the difference between the number of DS1 Subject Services required to be converted by Section 33.157.4(C) and the number that have been converted to this Contract Offer, times $ $4,107; and (ii) the difference between the number of DS3 Subject Services required to be converted by Section 33.157.4(C) and the number that have been converted to this Contract Offer, times $20,106.

Example: If the customer fails to convert twelve (12) DS1s and three (3) DS3s and terminates the contract, or the Telephone Company terminates this contract as a result of Customer's material breach, then the Customer shall pay

12 * $4,107 + 3 * $20,106 = $109,602 (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.157 Contract Offer No. 157 Special Access (Cont'd)

33.157.9 Termination (Cont'd)

(A) If Customer terminates any Subject Service prior to the completion of the Service Term during the Term Period, the Customer will be liable for a termination charge which shall be equal to fifty percent (50%) of the MRCs for the Subject Services for the balance of the Service Term during the Term Period, and will be calculated as follows:

(MRCs) multiplied by (months remaining in Service Term) multiplied by (termination liability percentage of 50%) = Termination Charge

Example: If the Subject Service has $350 in MRCs and is terminated after thirty-six (36) months, and has twenty-four (24) months remaining in a sixty (60) month Service Term, the termination charge would be calculated as:

$350 X 24 months x 50% = $4,200 Termination Charge (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.158 Contract Offer No. 158 – Access Service Offer

33.158.1. General Description (N)

This Special Access Service Offer (Contract Offer No. 158) is an access discount pricing plan for which concurrent subscription is required to the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, together referred to as the "Concurrently Subscribed Contract Offers." Contract Offer No. 158 is available to any Customer with at least twenty-eight million dollars ($28,000,000) in cumulative annual recurring revenue for Contributory Services, as defined in Section 33.158.4, from purchases from the Telephone Company and the affiliated telephone companies providing services under the Concurrently Subscribed Contract Offers (the Qualified Companies). (Nx)

The Customer must meet the Eligibility Criteria set forth in Section 33.158.2, and also must comply with all Terms and Conditions of this Contract Offer. Contract Offer No. 158 requires the Customer to establish and comply with a Minimum Annual Revenue Commitment (MARC) for each year of the two (2) year Term Period, as defined in Section 33.158.6. The MARC shall include recurring revenue for all Contributory Services purchased from the Qualified Companies. (N)

Contributory Services include Subject Services, as described in Section 33.158.4(A), and Non-Subject Services, as described in Section 33.158.4(B). Non-Subject Services are not eligible for credits or other incentives provided under this Contract Offer. All Contributory Services must be purchased through the AT&T wholesale sales channel (AT&T Wholesale Services).

33.158.2 Eligibility Criteria

To be eligible to subscribe to this Contract Offer, the Customer may not purchase services pursuant to the Managed Value Plan (MVP) Offering in Section 22 or any other MARC- or volume-based contract offer or contract that includes Subject Services provided under this Contract Offer. (N)

(x) Filed under the authority of Special Permission No. 11-016 of the F.C.C.
(This page filed under Transmittal No. 458)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.2 Eligibility Criteria (Cont'd)

During the calendar year prior to the Customer's subscription to this Contract Offer, the Customer's billed recurring charges for Switched Access Dedicated Transport Services shall have been no greater than one hundred twenty five thousand dollars ($125,000).

As of the date of the Customer's subscription to this Contract Offer, the Customer must be purchasing OPT-E-MAN[1] Service from the Telephone Company in ten (10) or more MSAs. (N)

33.158.3 Concurrent Subscription (Nx)

In addition to this Contract Offer, the Customer must subscribe to the following Concurrently Subscribed Contract Offers:

(A) Ameritech Tariff F.C.C No. 2, Section 33, Contract Offer No. 206;
(B) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 177; and
(C) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No.53. (Nx)

33.158.4. Contributory Services (N)

The MARC shall include revenue from all Contributory Services purchased from the Qualified Companies, under both this Contract Offer and the concurrently subscribed Contract Offers listed in this Section 33.158.3.

Subject Services and Non-Subject Services shall together be known as "Contributory Services." Recurring revenues for all Contributory Services shall be included for the purposes of determining the amount of the MARC and the Customer's satisfaction of the MARC.

[1] Opt-E-MAN Service is now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms, and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

(x) Filed under the authority of Special Permission No. 11-016 of the F.C.C.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.4. Contributory Services (Cont'd)

(A) Subject Services.

(1) Subject Services are pricing-flexibility qualified access services (Subject Services) contained in the following tariff sections, as listed in Table 1, below:

Table 1- Subject Services

Service	Tariff Section	Rates & Charges Phase I	Rates & Charges Phase II
Special Access DS1 and DS3 Services	7.2.9	7.5.9	31.5.2.7
Special Access Metallic Service	7.2.1	7.5.1	31.5.2.1
Special Access Telegraph Grade Service	7.2.2	7.5.1	31.5.2.2
Special Access Voice Grade Service	7.2.3 (A)	7.5.3	31.5.2.3
Switched Access Dedicated Transport Services	6.7		

(2) Subject Services under this Contract Offer must be located in the Pricing Flexibility MSAs listed in Table 2, below:

Table 2- Metropolitan Statistical Area ("MSA")

Sacramento	CA
San Diego	CA
San Francisco/Oakland	CA
Bakersfield	CA
Modesto	CA
Oxnard-Ventura	CA
Santa Rosa	CA
Stockton	CA
Fresno	CA
Los Angeles	CA
Long Beach	CA
San Jose	CA

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.4. Contributory Services (Cont'd)

(A) Subject Services. (Cont'd)

(3) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any services which are listed among the Subject Services in Table 1 and which the Telephone Company provides to the Customer in those additional MSAs, may, at the Customer's option, be included as Subject Services in this Contract Offer, beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs, provided, however, that the MARC will be increased to reflect the recurring revenues associated with the additional Subject Services, based on the amount of such additional recurring revenues during the three (3) months prior to the inclusion of the additional Subject Services, times four (4).

(B) Non-Subject Services.

(1) All recurring revenue from Non-Subject Services shall be included in the MARC, but shall not otherwise be subject to the rates, or Terms and Conditions of this Contract Offer. Non-Subject Services are listed in Table 3, below.

Table 3 - Non-Subject Services

Intrastate Special Access	Equivalent VG, DS0, DS1, DS3,Services

(2) If the Telephone Company introduces a new Special Access or Switched Access service, or an enhancement to an existing Special Access or Switched Access service, then such services shall be automatically included as Non-Subject Services, and the Customer's purchases of such new or enhanced Non-Subject Services shall be included in the calculation of the MARC, subject to the Terms and Conditions set forth in this Contract Offer. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.5 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) is two (2) years, commencing on December 30, 2011. The Anniversary Date shall be the same date in the following year. Contract Offer No. 158 is not renewable.

(B) Other Terms and Conditions.

(1) Except as expressly provided to the contrary in this Contract Offer, Subject Services are subject to the rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. No.1, including, but not limited to, those set forth in Sections 2-General Regulations, Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) Contract Offer No. 158 is available for subscription only from November 30, 2011 to December 30, 2011.

(3) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company. The LOS shall identify all Customer ACNAs in effect at the time of subscription under which the Customer may order and purchase Contributory Services or Subject Services pursuant to this Contract Offer. Any services ordered or purchased under ACNAs not identified in the LOS may not be included in or transferred to this Contract Offer.

(4) The Customer shall not purchase Subject Services in this Contract Offer pursuant to any future contract offer or other agreement, unless the future contract offer or other agreement expressly permits the inclusion of such Subject Services. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.5 Terms and Conditions (Cont'd)

(B) Other Terms and Conditions (Cont'd)

(5) Commingling, as defined in PBTC Tariff F.C.C. No.1, Section 2.6, of subject services under this contract offer is prohibited.

(6) The Customer must pay billed charges in full throughout the Term Period, excluding amounts properly disputed. Disputed amounts will not be counted toward the Customer's satisfaction of the MARC. The Telephone Company will exhaust its remedies under PBTC Tariff F.C.C. No. 1, Section 2.4, before exercising any remedy under this Section to resolve disputed amounts. The Telephone Company will provide the Customer written notice (via registered letter) of non-compliance. The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period, or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, following that period, the Parties have exhausted attempts to resolve any pending disputes, or the Parties have resolved disputes and the Customer does not comply with written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer No. 158. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 33.158.11 will apply. Credits owed to the Customer pursuant to this Contract Offer will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in PBTC Tariff F.C.C. No. 1. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.5 Terms and Conditions (Cont'd)

(B) Other Terms and Conditions (Cont'd)

(7) The Customer will continue to receive the benefit of rate stability, if any, for any existing Subject Services currently under a term payment plan with the Telephone Company, as provided for in the applicable tariff section from which the Subject Services were purchased.

33.158.6 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to establish and comply with a Minimum Annual Revenue Commitment (MARC) for each year of the Term Period, as defined in this Section 33.158.6. The MARC shall be based on billed annual recurring revenue, net of any applicable discounts or credits and any other applicable credits or adjustments issued as of the time of the applicable Annual True-up Process for, in the aggregate, Contributory Services as set forth in Section 33.158.4 of this Contract Offer No. 158, and the "Contributory Services" as set forth in the other Concurrently Subscribed Contract Offers (such charges collectively referred to as "MARC-Eligible Charges"), provided, however, that any credits issued pursuant to the Concurrently Subscribed Contract Offers shall not be included in determining MARC-Eligible Charges.

(A) Establishing the MARC

(1) The Customer's MARC for the first year of the Term Period shall be twenty-eight million seven hundred fifty-nine thousand dollars ($28,759,000), or four (4) times the Customer's MARC-Eligible Charges for the most recent three (3) months prior to the beginning of the Term Period, rounded to the nearest thousand dollars ($1,000), whichever is greater. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.6 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Establishing the MARC (Cont'd)

(1) The MARC for the second year of the Term Period will be equal to the Customer's MARC-Eligible Charges during the last three (3) months of the first year of the Term Period, multiplied by four (4), or the first-year MARC, rounded to the nearest thousand dollars ($1,000), whichever is greater.

Example:
Assume that the Term Period begins on January 1, 2012, and the first-year MARC is $28,759,000. If the Customer's MARC-Eligible Charges from October 1, 2012 through December 31, 2012 are $6,000,000, the MARC for the second year of the Term Period will be $28,759,000.($6,000,000 times four equals $24,000,000. Because $24,000,000 is less than $28,759,000, the second-year MARC will be equal to the first-year MARC of $28,759,000.

(B) Failure to Achieve the MARC

(1) Quarterly Review. The Customer and the Telephone Company shall exchange information quarterly, and shall meet quarterly, if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company will meet in the ninth month of each year of the Term Period to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.6 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Failure to Achieve the MARC (Cont'd)

(1) Annual True-up Process. Following the completion of each year of the Term Period, the Telephone Company will review the Customer's MARC-Eligible Charges to determine whether the Customer has complied with the MARC. If the Customer fails to comply with the MARC for any year during the Term Period, determined as of the Anniversary Date, the Telephone Company will bill and Customer will pay an amount equal to the difference between the MARC and the Customer's actual billed recurring revenue for Contributory Services (Annual True-Up Amount). The True-up calculation will be performed as follows:

MARC – MARC-Eligible Revenue = Annual True-Up Amount

The Customer must pay any Annual True-Up Amount within thirty (30) days after receipt of an invoice from the Telephone Company.

(C) Credit Schedule and Application

Following each Anniversary Date, if the Customer has complied with the MARC and is otherwise in compliance with this Contract Offer, the Customer shall be eligible to receive an annual credit of seven and one-half percent (7.5%) of the portion of MARC-Eligible Charges attributable to Subject Services (only), up to a maximum of $2,250,000 for each year of the Term Period. Credits will be applied to the Customer's bill no later than ninety (90) days after each Anniversary Date.

Example:
If the MARC is 28,759,000.00, and the Customer's MARC-Eligible Charges for that year are 29,000,000, the Customer will be eligible to receive a credit of $29,000,000 x 7.5% = $2,175,000. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.7 Non-Recurring Charges

(A) Conversion of Unbundled Network Elements and Upgrades of Existing Special Access Services.

The Telephone Company will waive applicable installation non-recurring charges (NRCs) associated with the conversion of Unbundled Network Elements (UNEs) or upgrades of existing special access services to Subject Services purchased pursuant to this Contract Offer, except for Access Order charges.

(B) New Subject Services.

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract offer, except for Access Order Charges.

In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. The Customer must pay all other applicable NRCs, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC Tariff F.C.C. No. 1, for Subject Services pursuant to this Contract Offer.

33.158.8. Termination Liability Waiver

The Telephone Company will waive termination liability charges for moves and/or disconnection of Subject Services, as provided in this Section 33.158.8. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. For the Customer to receive credits, or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(A) The Customer must be in compliance with all Terms and Conditions of this Contract Offer; (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.8. Termination Liability Waiver (Cont'd)

(A) The Customer shall be permitted to move and/or disconnect Subject Services from any of the Concurrently Subscribed Contract Offers described in Section 33.158.3;

(C) DS1 Subject Services must have been in service for a minimum of one(1) month from the original installation date; and

(D) DS3 Subject Services must have been in service for a minimum of one (1) year from the original installation date.

33.158.9 Mergers and Acquisitions involving the Customer.

The Terms and Conditions of this Contract Offer shall continue in full force and in effect notwithstanding any merger or acquisition affecting the Customer or the Telephone Company. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the Customer, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions, as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.10 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B), or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(A) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(B) If the information required to review the assignee's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.158.10 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.10 Assignment/Transfer (Cont'd)

(A) If the information required to review the assignee's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.158.10 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

33.158.11 Termination Liability

(A) Termination Liability Charges

If this Contract Offer is terminated either (i) by Customer for any reason other than a material default by the Telephone Company, or (ii) by the Telephone Company due to Customer's material breach of this Contract Offer (including, without limitation, Customer's failure to remit any Annual True-up payment as provided in Section 33.158.6 of this Contract Offer), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. If the Customer fails to meet any of the eligibility criteria in Section 33.158.2 or fails to comply with any of the Terms and Conditions of this Contract Offer, the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 158, and termination liability charges will apply, as stated below, and will be payable pursuant to PBTC Tariff F.C.C. No. 1, The termination liability charge shall be equal to the following:

(1) One-hundred percent (100%) of all credits and/or waivers of NRCs or termination liability charges provided under this Contract Offer six (6) months immediately prior to the date of termination, plus
(2) Thirty-five percent (35%) of the MARC for the remainder of the Term Period, which amount will be pro-rated for any partial years remaining in the Term Period. (N)

(This page filed under Transmittal No. 458)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.158 Contract Offer No. 158 – Access Service Offer (Cont'd)

33.158.11 Termination Liability (Cont'd)

(A) This Section 33.158.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 158, except for charges due and payable for Contributory Services rendered prior to the date of termination, and any NRCs and/or termination liability charges that may become due and payable in accordance with Sections 33.158.7 and 33.158.11.

33.158.12 New Special Access Service Offerings.

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer, or other contract or tariff arrangement, to purchase the new service offerings from the Telephone Company in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer, or other contract or tariff governing the new service offerings, must include a term period and revenue. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.159 Contract Offer No. 159 – Access Service Offer

33.159.1 General Description (N)

(Nx) This Special Access Service Offer (Contract Offer No. 159) is a Minimum Annual Revenue Commitment (MARC) plan for which concurrent subscription is required to this Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 26 and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 178; (collectively, with this Contract Offer No. 159, referred to as "Concurrently Subscribed Contract Offers"). NBTC, SWBT, together with the Telephone Company, shall be identified herein as the "Qualified Companies. (Nx)

(N) Subject to the Terms and Conditions set forth in this Contract Offer No. 159 and the other Concurrently Subscribed Contract Offers, Contract Offer No. 159 requires eligible Customers to establish and maintain a MARC, as described in Sections 33.159.4(C) and 33.159.5.

Contract Offer No. 159 will be available for subscription only from December 20, 2011 through January 20, 2012. This offer is not renewable.

33.159.2 Subject and Non-Subject Services

Services whose charges will be included in the MARC calculations under this Contract Offer No. 159 consist of both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Telephone Company and located within the "Operating Territory" of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory). (N)

(x) Issued under Authority of Special Permission No. 11-018 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.2 Subject and Non-Subject Services (Cont'd)

(A) Subject Services

(1) Subject Services are pricing flexibility qualified access services and associated rate elements, as identified in Table A, below.

Table A – Subject Services

Category	Services Included
Interstate Special Access located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	Voice Grade ("VG"), DS0, DS1, DS3, except for any rate elements not subject to pricing flexibility

(2) Subject Services must be located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and those additional MSAs listed below. During the Term Period of this Contract Offer No. 159, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer No. 159.

Bakersfield, CA; Modesto, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.2 Subject and Non-Subject Services (Cont'd)

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below.

Table B – Non-Subject Services

Category	Services Included
Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs) and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief.	Voice Grade ("VG"), DS0, DS1, DS3, and any rate elements not eligible for pricing flexibility.
Broadband Interstate Special Access	[1]Optical Carrier Network ("OCN") Point-to-Point Service, Dedicated SONET Ring Service ("DSRS"), Gigabit Ethernet Metropolitan Access Network ("GigaMAN®") Service, Multi-service Optical Network ("MON") Ring Service, Optical Ethernet Metropolitan Area Network ("OPT-E-MAN®"), DecaMAN®, and Wavelength Metropolitan Area Network (WaveMAN℠). AT&T Switched Ethernet. Serial Component Video Service (SCVS), and High Definition Video Transport (HDVT)
Long Distance Voice Service	Long Distance Voice Service as described in Section 33.159.5(C) below

(C) All terms and conditions for those Subject Services and Non-Subject Services that are tariffed are governed by their respective tariff sections, except as noted in this Contract Offer No. 159 with respect to Subject Services. All terms and conditions for those Non-Subject Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

[1] OCN PTP, DSRS, MON, GigaMAN,® DecaMAN,® Opt-E-MAN®, WaveMAN℠, and AT&T Switched Ethernet, Serial Component Video (SCVS) and High Definition Video Transport (HDVT) services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.2 Subject and Non-Subject Services (Cont'd)

(D) Subject Services and Non-Subject Services shall also include any similar or successor services which are provided by the Qualified Companies and which were not available as of the effective date of this Contract Offer No. 159.

33.159.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 159:

(A) During the twelve (12) months prior to the Subscription Date, the Customer must have purchased services equivalent to those included among the Subject Services and Non-Subject Services under this Contract Offer, which services must have resulted in charges equivalent to those included in MARC-Eligible Charges under this Contract Offer (as defined in Section 33.159.4(C), below) during those twelve (12) months equal to no less than sixty-five million dollars ($65,000,000). (N)

(B) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to the following Contract Offers: (Nx)

- NBTC Tariff F.C.C. No. 1, Contract Offer No. 26;
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 159; and
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 178. (Nx)

(C) The Customer must be subscribed to the Managed Value Plan (MVP), located in Section 22 of the PBTC FCC Tariff No. 1, as of September 25, 2011. If the Customer's MVP is still in effect as of the date of the Customer's subscription to this Contract Offer, this Contract Offer will supersede the MVP upon Customer's subscription, and the MVP will be terminated without liability. (N) (N)

(x) Issued under Authority of Special Permission No. 11-018 of F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.3 Eligibility Criteria (Cont'd)

(D) At the time of subscription to this Contract Offer, the Customer must be purchasing a single TDM-based long distance voice service, and/or a single Internet Protocol-based long distance voice service from an affiliate of the Telephone Company, including, but not limited to, ABN/OneNet,[1] which service must generate minimum of four million five hundred thousand dollars ($4,500,000) in recurring charges annually.

33.159.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 159:

(A) Subscription

To subscribe to Contract Offer No. 159, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all qualifying Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer No. 159 (hereafter referred to as "Eligible ACNAs"). Subject Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 159.

(B) Term Period

The term of this Contract Offer No. 159 (Term Period) shall begin on the date the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer, referred to as the "Subscription Date". The Term Period shall end twenty-nine (29) months after the Subscription Date, subject to extension, as provided in this Section 33.159.4(M)(1), below.

Each period of twelve (12) consecutive months during the Term Period, beginning with the Subscription Date, shall be referred to as a "Term Year," except that Term Year 3 shall consist of five (5) months, i.e., the twenty-fifth (25th) through twenty-ninth (29th) months after the Subscription Date, and the extension year, if any, shall consist of twelve (12) months, i.e., the thirtieth (30th) through forty-first (41st) months after the Subscription Date.

[1] ABN/OneNet services are provided on a contractual basis outside of the tariff, including all terms and conditions. Rates, terms and conditions associated with ABN/OneNet services are available at http://new.serviceguide.att.com/ . (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.4 Terms and Conditions (Cont'd)

(C) The Customer must satisfy a MARC, as further described in Section 33.159.5(A), for each Term Year of this Contract Offer No. 159. The MARC shall be based on billed recurring revenue, net of any applicable discounts or credits and any other applicable credits or adjustments issued as of the time of the applicable Annual True-up Process for, in the aggregate, the Subject Services and Non-Subject Services set forth in Section 33.159.2 of this Contract Offer No. 159, and the "Subject Services" and "Non-Subject Services" set forth in the other Concurrently Subscribed Contract Offers (such charges collectively referred to as "MARC-Eligible Charges"), provided, however, that any credits issued pursuant to the Concurrently Subscribed Contract Offers shall not be included in determining MARC-Eligible Charges. The MARC-eligible services, as set forth in Section 33.159.2 of this Contract Offer No. 159, and the MARC-eligible services similarly set forth in the other Concurrently Subscribed Contract Offers, are collectively referred as the "MARC-Eligible Services." MARC-Eligible Charges shall specifically exclude non-recurring charges, usage-based charges and temporary service charges. Notwithstanding the foregoing, if any MARC-Eligible Charges are subject to disputes that have not been resolved at the time of the applicable Annual True-Up Process, such charges will be included in MARC-Eligible Charges for purposes of that Annual True-Up, but charges or credits affected by the dispute shall be adjusted upon resolution of the dispute, in a manner consistent with such resolution.

(D) Credits earned by the Customer under this Contract Offer No. 159 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 33.159.6, below, and in the analogous sections of the other Concurrently Subscribed Contract Offers. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.4 Terms and Conditions (Cont'd)

(E) MARC-eligible services under this Contract Offer No. 159 may not be purchased pursuant to any pricing flexibility contract offer, broadband services agreement, or other individually negotiated tariff or agreement (referred to as "Other Commitment Agreement") that includes any minimum volume or revenue commitment, unless either: (i) any Other Commitment Agreement expressly refers to this Contract Offer and expressly permits the Customer to purchase such services subject to both this Contract Offer and the Other Commitment Agreement, or (ii) the Customer purchased services pursuant to the MVP prior to its subscription to this Contract Offer and any Other Commitment Agreement was effective during the period in which the Customer purchased services pursuant to the MVP. The word "purchase," as used in the foregoing sentence, refers to the Customer obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed.

(F) Credits provided under this Contract Offer No. 159 will not be issued unless and until the Customer has paid all billed charges for MARC-Eligible Services due and owing(excluding amounts properly disputed), and is otherwise in material compliance with this Contract Offer.

(G) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 159.

(H) Commingling is defined in PBTC Tariff F.C.C. No. 1, Section 2.6. Commingling of Subject Services provided pursuant to this Contract Offer No. 159 is prohibited.

(J) Subject Services shall be subject to the otherwise applicable rates, terms and conditions of PBTC Tariff F.C.C. No. 1, as modified from time to time, except as provided in this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.4 Terms and Conditions (Cont'd)

K) Extension of Term Period or Negotiation of Replacement. The Term Period may be extended by one year, or the rates, terms and conditions for a replacement to this Contract Offer may be negotiated, as provided herein. If the Customer wishes to extend the Term Period or negotiate a replacement to this Contract Offer, the Customer must notify the Telephone Company, in writing, no later than twenty-three (23) months after the Subscription Date and must state whether it wishes to: (a) extend the Term Period, or (b) negotiate a replacement.

(1) If the Customer requests an extension of the Term Period, the Customer's request will be subject to the approval of the Telephone Company. The Telephone Company shall either accept or reject the Customer's request, in writing, no more than sixty (60) days after receipt of the Customer's request. If the Telephone Company fails to respond within sixty (60) days after receiving the request, the request shall be deemed to have been accepted. The extension, if any, must apply to all of the Concurrently Subscribed Contract Offers.

(2) If the Customer requests to negotiate a replacement to this Contract Offer, the parties will negotiate in good faith to enter into such a replacement.

(L) Replacement of DS1 with Ethernet[1]-Based Services. The Customer may terminate DS1 Subject Services without termination liability charges, provided that the following conditions have been met.

(1) The Subject Service must have been in service for at least twelve (12) months prior to termination.

(2) The Subject Service must have been replaced by Ethernet[1]-based service provided to the Customer by the Telephone Company at the same end user location with Ethernet[1] bandwidth of no less than 5 Mbps per Customer cell site (Replacement Service).

(3) No lapse in billing may have occurred between the termination of the Subject Service and the installation of the Replacement Service.

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone

(This page filed under Transmittal No. 460) (N)

Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.4 Terms and Conditions (Cont'd)

(M) This Section 33.159.4(M) shall apply to Subject Services purchased under the DS1 High Capacity Service Portability Commitment, as described in Section 7.4.18(E) of PBTC Tariff F.C.C. No. 1. The Customer will be eligible for a reduction to its Commitment Level (CL), as defined in this Section 7.4.18(E) without such Termination Liability as would otherwise apply to a decrease in the Customer's CL, as provided below:

1. A CL reduction shall be available only if and when the Customer's total number of in-service DS1 Channel Terminations falls below eighty percent (80%) of the Customer's then-current CL.

2. Only DS1 Channel Terminations that are disconnected and replaced by Ethernet[1]-based services purchased from the Telephone Company, as provided in Section 33.159.4(L) may be taken into account in any reduction of the Customer's CL.

3. Any reduction to the Customer's CL will apply only during the three (3) year term of the Customer's Portability Commitment, as was in effect as of the date of the Customer's subscription to this Contract Offer. As clarification, but not to modify the foregoing, any new Portability Commitment or renewal of a previously existing Portability Commitment shall not be eligible for a CL reduction under this Contract Offer.

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.5 Minimum Annual Revenue Commitment (MARC)

(A) Establishment and Calculation of the MARC. The MARC for each Term Year of this Contract Offer shall be as follows:

(1) For Term Year 1, the greater of: (a) eighty-two million dollars ($82,000,000), or (b) the lesser of the amount of recurring revenue billed to the Customer by the Qualified Companies, net of any applicable discounts or credits or billing adjustments for those services identified as Subject Services or Non-Subject Services in Section 33.159.2 of this Contract Offer and those services identified as "Subject Services" and "Non-Subject Services" in the Concurrently Subscribed Contract Offers, during the three (3) months immediately prior to the Subscription Date, times four (4) or during the previous month immediately prior to the Subscription Date, times twelve (12).

(2) For Term Year 2, the greater of: (a) seventy-four million seven hundred thousand dollars ($74,700,000), or (b) eight and one-half percent (8.5%) less than the Term Year 1 MARC;

(3) For Term Year 3, the greater of: (a) twenty-eight million two hundred thousand dollars ($28,200,000), or (b) thirty-seven percent (37%) of the Year 2 MARC.

(4) For the extension year, if any, two and four tenths (2.4) times the Year 3 MARC.

(B) MARC Calculations
Satisfaction of the MARC shall be determined according to MARC-Eligible Charges (defined in Section 33.159.4(C)). MARC-Eligible Charges include charges for MARC-Eligible Services that were in service as of the Subscription Date, as well as those placed in service during the Term Period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) The Customer may include in MARC-Eligible Charges recurring revenue attributable to a single TDM-based long distance voice service, and/or a single IP-based long distance voice service from an affiliate of the Telephone Company, including, but not limited to, ABN/OneNet,[1] provided that recurring revenues attributable to such service may represent no more than the percentage of the MARC applicable during the relevant Term Year identified in Table C, below.

Table C

PERIOD	The long distance voice service described in Section 33.159.5(C), above, cannot contribute more than the following amount to the MARC
Term Month 1 – Month 12	6.00%
Term Month 13 - Month 24	6.02%
Term Month 25 - Month 29	6.74%
Extension Year, Month 30 – Month 41 if applicable	6.74%

(D) Failure to Satisfy the MARC

If the Customer fails to satisfy the MARC, as determined in the Annual True-Up Process, the Qualified Companies shall bill and the Customer shall pay the amount of the Annual Shortfall, as applicable, as provided in Sections 33.159.6(B) and (C), below. Any Shortfalls shall be divided among this Contract Offer No. 159 and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for MARC-Eligible Charges under those contract offers.

Customer and the Qualified Companies shall attempt in good faith to complete the Annual True-Up, including making any payments or applying any credits resulting therefrom within ninety (90) days after the end of each Term Year.

[1] ABN/OneNet services are provided on a contractual basis outside of the tariff, including all terms and conditions. Rates, terms and conditions associated with ABN/OneNet services are available at http://new.serviceguide.att.com/. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.6 Credits

(A) Monthly MARC Credits

During Term Year 1 and Term Year 2 of the Term Period (only) for each month of a Term Year, the Customer may be eligible for a single Monthly MARC Credit under, collectively, this Contract Offer and the other Concurrently Subscribed Contract Offers ("Monthly MARC Credits" or "MMCs").

The Qualified Companies will issue an MMC to the Customer for any month during Term Year 1 or Term Year 2 (only) in which the Customer's MARC Eligible Charges are sufficient to satisfy one-twelfth (1/12) of the MARC for that Term Year (Monthly MARC). Any MMC will be issued in arrears, within sixty (60) days after the end of the month in which the Customer qualified for the MMC. If the Customer has not met the Monthly MARC during a month, no MMC will be issued for that month, but the Customer may be eligible to receive such MMC in conjunction with the Annual True-Up process, as provided below. The amount of the MMC, by Term Year, is provided in Table D, below.

Any MMC shall be allocated between this Contract Offer No. 159 and the other Concurrently Subscribed Contract Offers in proportion to billing for MARC-Eligible Charges during the relevant month. The MMC will be applied to the Customer's bill no later than sixty (60) days after the end of each month in which the Monthly MARC was satisfied.

MMCs shall not be issued if the Customer is in material breach of this Contract Offer No. 159 or the other Concurrently Subscribed Contract Offers, or in material breach of any other terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer.

Table D

Term Year	**Maximum Annual MMC**
Term Month 1 – Month 12	11.1% of the MARC
Term Month 13 - Month 24	$6.1M
Term Month 25 - Month 29	$0
Extension Year, Month 30 – Month 41 if applicable	$0

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.6 Credits (Cont'd)

(B) Monthly Incentive Credits

For each month during the Term Period, the Customer may be eligible for a single monthly incentive credit under, collectively, this Contract Offer and the other Concurrently Subscribed Contract Offers ("Monthly Incentive Credit" or "MIC").

(1) If, for Term Year 2 or the extension Term Year, if any, of the Customer's MARC-Eligible Charges during any month are sufficient to satisfy the Monthly MARC applicable during a prior Term Year, the Telephone Company will issue to the Customer a MIC in an amount equal to: (a) one-twelfth (1/12) of the Maximum Annual MMC, as shown in Table D, for which the Customer was eligible during the Term Year that corresponds to the greatest prior-year MARC for which the Customer satisfied the corresponding Monthly MARC, less (b) any MMC earned by the Customer for that month.

Example: During Term Year 2, the Customer's MARC is $82 million, and the Customer's MARC-Eligible Charges for a given month are $6.9 million. The Customer's MARC-Eligible Charges are sufficient to satisfy the Term Year 1 Monthly MARC. ($6.9 million x 12 = $82.8 million.) Because the Customer's MARC-Eligible Charges are also sufficient to satisfy the Term Year 2 Monthly MARC, the Customer will have earned an MMC of $508,000 for that month. ($6.1 million ÷ 12 = %508,000.) The Customer will be paid an MIC equal to one-twelfth of the Maximum Annual MMC for Term Year 1, less the MMC actually credited for the relevant month in Term Year 2. The MIC will be $250,000. (Step 1: $82 million x 11.1% = $9.1 million. Step 2: $9.1 million ÷ 12 = $758,000. Step 3: $758,000 - $508,000 = $251,000.) (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.6 Credits (Cont'd)

(B) Monthly Incentive Credits (Cont'd)

(1) If, for Term Year 3, the Customer's MARC-Eligible Charges are equal to, or greater than, the Monthly MARC for Term Year 1, the Telephone Company will issue to the Customer a MIC equal to one twelfth (1/12) of the Maximum Annual MMC applicable to Term Year 1

Example: During Term Year 3, the Customer's MARC-Eligible Charges for a given month are $6.9 million. The Term Year 1 MARC was $82 million. The Customer's MARC-Eligible Charges are sufficient to satisfy the Term Year 1 Monthly MARC. ($82 million ÷ 12 - $6.83 million.) No MMC applies in Term Year 3. The Customer will be paid an MIC equal to one-twelfth of the Maximum Annual MMC for Term Year 1. The MIC will be $758,000. (Step 1: $82 million x 11.1% = $9.1 million. Step 2: $9.1 million ÷ 12 = $758,000.)

(2) If, for Term Year 3, the Customer's MARC-Eligible Charges are equal to, or greater than, the Monthly MARC for Term Year 2, but are not equal to, or greater than, the Monthly MARC for Term Year 1, the Telephone Company will issue to the Customer a MIC equal to one twelfth (1/12) of the Maximum Annual MMC applicable to Term Year 2

Example: During Term Year 3, the Customer's MARC-Eligible Charges for a given month are $6.25 million. The Term Year 2 MARC was $74.7 million. The Customer's MARC-Eligible Charges are sufficient to satisfy the Term Year 2 Monthly MARC, but not the Term Year 1 Monthly MARC. ($74.7 million ÷ 12 = $6.23 million. $82 million ÷ 12 - $6.83 million.) No MMC applies in Term Year 3. The Customer will be paid an MIC equal to one-twelfth of the Maximum Annual MMC for Term Year 2. The MIC will be $690,000. (Step 1: $74.7 million x 11.1% = $8.29 million. Step 2: $8.29 million ÷ 12 = $690,000.) (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.6 Credits (Cont'd)

(C) Above the MARC Credits. If the Customer exceeds the Year 1 MARC in any Term Year, including the extension year, if any, the Telephone Company will issue to the Customer an "Above the MARC Credit" equal to fifteen percent (15%) of the Customer's MARC-Eligible Charges in excess of the Year 1 MARC.

Example: In Year 1, if MARC-Eligible Charges were $85,000,000, then the Telephone Company will issue to the Customer a credit of 15% X ($85,000,000 - $82,000,000) = $450,000.

(D) One-Time Credit. The Customer will earn a one-time credit equal to 2.7% of the Year 1 MARC upon subscription to this Contract Tariff and the Concurrently Subscribed Contract Tariffs.

(E) Annual True-up Process

(1) Annual Shortfall. If, at the end of a Term Year, the amount of the Customer's MARC-Eligible Charges is less than the MARC, for that Term Year, the Qualified Companies shall bill, and the Customer shall pay, an amount equal to the difference between (a) the MARC, and (b) the Customer's MARC-Eligible Charges paid for that Term Year ("Annual Shortfall"). Any Annual Shortfall will be allocated among the Qualified Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year. Upon payment of the Annual Shortfall, the Telephone Company shall issue to the Customer a credit in the amount of the difference between the Maximum Annual MMC identified in Table D, above, and the total MMCs issued to the Customer for that Term Year, provided however, that the Telephone Company may, subject to the agreement of the Customer, offset all or part of such credit against all or part of such Annual Shortfall in lieu payment of the full amount of the Annual Shortfall. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.6 Credits (Cont'd)

(E) Annual True-up Process (Cont'd)

(2) Annual True-Up of MMC. If, at the end of a Term Year, the amount of the Customer's MARC-Eligible Charges is equal to, or greater than, the MARC for that Term Year, the Telephone Company will issue a credit in the amount of the difference, if any, between the Maximum Annual MMC identified in Table D, above, and the total MMCs issued to the Customer for that Term Year.

Example: During Term Year 1, the Customer's MARC is $82 million. The Customer has earned $7.58 million in MMC Credits during Term Year 1. At the end of Term Year 1, the Customer's MARC-Eligible Charges are sufficient to satisfy the Term Year 1 MARC. The Telephone Company will issue to the Customer an additional credit of $1.52 million. (Step 1: $82 million x 11.1% = $9.1 million. Step 2: $9.1 million - $7.58 million = $1.52 million.)

(3) Annual True-Up of MIC

(a) If, for Term Year 2 or the extension Term Year, if any, the Telephone Company has issued any MIC to the Customer, then at the end of the Term Year, the Telephone Company will issue to the Customer an additional credit or a debit, as applicable, equal to the difference between: (i) the total amount of all MMC and MIC issued during the Term Year subject to the Annual True-Up (such MMC and MIC to be referred to collectively as "Issued Monthly Credits"), and (ii) the Maximum Annual MMC identified in Table D, above, for the Term Year corresponding with the greatest MARC met or exceeded by the Customer's MARC-Eligible Charges for the year subject to the Annual True-Up (such Maximum Annual MMC to be referred to as "Achieved MARC Credit"). (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.6 Credits (Cont'd)

(E) Annual True-up Process (Cont'd)

(3) Annual True-Up of MIC (Cont'd)

(a) (Cont'd)

Example 1: During Term Year 2, the Customer has earned $6.1M in MMC and $2.1M in MIC during the Term Year. The MARC for Term Year 1 was $82M, and the MARC for Term Year 2 is $74.7M. At the end of Term Year 2, the amount of the Customer's MARC-Eligible Charges is $79.7M. That amount is sufficient to satisfy the Term Year 2 MARC, but not the higher Term Year 1 MARC. The Customer will be billed for the difference between the Issued Monthly Credits and the Achieved MARC Credit (for Term Year 2), which is $2.1M.

Example 2: During Term Year 2, the Customer has earned $6.1M in MMC and $2.25M in MIC during the Term Year. The MARC for Term Year 1 was $74.7M, and the MARC for Term Year 2 is $82M. At the end of Term Year 2, the amount of the Customer's MARC-Eligible Charges is $82.5M. That amount is sufficient to satisfy the Term Year 1 MARC. The Telephone Company will issue to the Customer an additional credit equal to the difference between the Issued Monthly Credits and the Achieved MARC Credit (for Term Year 1), which is $0.75M.

(b) If, for Term Year 3, the Telephone Company has issued any MIC to the Customer, then at the end of the Term Year, the Telephone Company will issue to the Customer an additional credit or a debit, as applicable, equal to the difference between: (i) the Issued Monthly Credits for Term Year 3, and (ii) five-twelfths (5/12) of the Maximum Annual MMC identified in Table D, above, for the Term Year corresponding with the greatest MARC for which five twelfths (5/12) of such MARC is met or exceeded by the amount of the Customer's MARC-Eligible Charges for Term Year 3. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 - Access Service Offer (Cont'd)

33.159.6 Credits (Cont'd)

(E) Annual True-up Process (Cont'd)

(3) Annual True-Up of MIC (Cont'd)

(b) (Cont'd)

Example 1: During Term Year 3, the Customer has earned $0 in MMC and $1.5M in MIC during the Term Year. The MARC for Term Year 1 was $82M, the MARC for Term Year 2 was $74.7M, and the MARC for Term Year 3 is $28.2M. At the end of Term Year 3, the amount of the Customer's MARC-Eligible Charges is $29.2M. That amount is sufficient to satisfy the Term Year 3 MARC but not five-twelfths (5/12) of the Term Year 2 MARC. The Customer will be billed for the difference between the Issued Monthly Credits during Term Year 3 and the Maximum Annual MMC for Term Year 3, which is $1.5M.

Example 2: During Term Year 3, the Customer has earned $0 in MMC and $1.5M in MIC during the Term Year. The MARC for Term Year 1 was $82M, the MARC for Term Year 2 was $74.7M, and the MARC for Term Year 3 is $28.2M. At the end of Term Year 3, the amount of the Customer's MARC-Eligible Charges is $31.2M. That amount is sufficient to satisfy the Term Year 3 MARC and five-twelfths (5/12) of the Term Year 2 MARC, but not five-twelfths (5/12) of the Term Year 1 MARC. The Telephone Company will issue to the Customer an additional credit equal to the difference between the Issued Monthly Credits and five twelfths (5/12) of the Maximum Annual MMC for Term Year 2, which is $1.0M. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 - Access Service Offer (Cont'd)

33.159.7 Service Level Assurance

(A) Service Level Assurance (SLA). The Customer will be eligible for additional credits if certain Service Level Assurance (SLA) benchmarks are not achieved by the Telephone Company, as provided below. SLA benchmark measurements will be calculated in the aggregate, for all DS1 and DS3 Interstate Special Access Services provided to the Customer by the Qualified Companies, for each Term Year. SLA benchmark measurements will be calculated according to the Telephone Company's generally applicable business rules and criteria associated with each of the SLA benchmark measurements. The SLA benchmarks will apply to both DS1 and DS3 services on a combined basis. SLAs will apply to the following service performance measurements:

(1) Mean Time to Repair (MTTR). "Mean Time to Repair" means the sum of the "Receipt to Restore Durations" of "Total Trouble Reports" divided by the number of Total Trouble Reports. "Total Trouble Reports" means all closed Customer trouble reports. "Receipt to Restore Duration" means the number of minutes (converted to hours) from the date and time each such trouble report is received by the Telephone Company to the date and time each such trouble report is closed.

(2) On Time Delivery. "On Time Delivery" means the percentage of total Customer orders that are completed on or before their due dates.

(3) New Circuit Failure Rate. "New Circuit Failure Rate" means the percentage of total for new circuits that are subject to trouble reports within thirty (30) calendar days after the date of installation.

(4) Repeat Reports within 30 Days. "Repeat Reports within 30 Days" means the percentage of closed trouble reports for any circuit that are received within thirty (30) calendar days after the restoral date of a prior closed trouble report for the same circuit. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 - Access Service Offer (Cont'd)

33.159.7 Service Level Assurance

(B) SLA Measurements and Benchmarks. If the Telephone Company fails to achieve the benchmarks set forth in Table E, below, SLA Credits shall apply as provided in Section 33.159.7(C), below.

Table E—SLA Measurements and Benchmarks

Measurement	Benchmark
MTTR	5.5 hours
On Time Delivery	93%
New Circuit Failure Rate	4%
Repeat Reports within 30 Days	16%

(C) SLA Credits. Within ninety (90) days after the end of each Term Year, the Telephone Company will provide the Customer with a report of performance for the SLA measurements set forth in this Contract Offer. If the Telephone Company fails to achieve the benchmarks in this Contract Offer, the Qualified Companies will issue SLA Credits to the Customer as set forth in Table F, below (SLA Credits). A single SLA Credit will apply per SLA benchmark, per Term Year, for the Qualified Companies in the aggregate. Any SLA Credits will be issued to the Customer within ninety (90) days after the end of each Term Year.

Table F—SLA Performance Credits

Measurement	Credit if Benchmark Not Achieved Met
MTTR	$75,000
On Time Delivery	$75,000
New Circuit Failure Rate	$75,000
Repeat Reports within 30 Days	$75,000

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 - Access Service Offer (Cont'd)

33.159.8 Assignment/Transfer/Successors

(A) Neither party shall assign or otherwise transfer this Contract Offer No. 159 or its rights or obligations hereunder to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that Customer shall have the right, without the consent of but with notice to the Telephone Company, to assign or otherwise transfer the entirety of this Contract Offer No. 159 to any Permitted Affiliate, so long as: (i) the other Concurrently Subscribed Contract Offers are likewise assigned or otherwise transferred in their entirety to that same Affiliate, and (ii) that Affiliate otherwise qualifies under this Contract Offer No. 159 and the other Currently Subscribed Contract Offers. Any assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 159 and the other Concurrently Subscribed Contract Offers; any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 159 and the other Concurrently Subscribed Contract Offers; any assignment or transfer by the Customer shall be subject to the provisions of Section 33.159.7(B), below, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 159 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 159 or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void.

(B) Subject to the provisions of Section 33.159.7(A), above, the Customer may assign or transfer this Contract Offer if (i) the proposed assignee or transferee demonstrates credit worthiness under both (1) and (2), below (and if (1) and (2) are not applicable to Customer, then (3) shall apply); and (ii) neither the proposed assignee or transferee nor its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it) at any time during the Term Period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 - Access Service Offer (Cont'd)

33.159.8 Assignment/Transfer/Successors (Cont'd)

(B) (Cont'd)

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(b) "high risk" in a Paydex score as published by Dun and Bradstreet.

(3) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (1) or (2) of this Section 33.159.7(B) is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 - Access Service Offer (Cont'd)

33.159.9 Mergers/Acquisitions and Sales/Divestitures

All provisions of this Contract Offer No. 159 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition, within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger of acquisition, if another entity involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 159 for any purpose unless Customer chooses to include such services based on invocation of a Counting Request below. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. Purchases by the other entity shall not be eligible for any credits provided under this Contract Offer or be included in any calculations performed for purposes of this Contract Offer, including, without limitation, calculations regarding MARC-Eligible Services, MARC-Eligible Charges or satisfaction of the MARC, except as provided below:

Revenue from the acquired or acquiring company may be included in this Contract Offer, upon request from the Customer, subject to the following Terms and Conditions:

(A) Revenue attributable to the acquired or acquiring company would be included in calculations for the purpose of satisfaction of the MARC and determination of any shortfall, as provided in Section 33.159.5 of this Contract Offer, but will not be included in calculations regarding any credits provided under this Contract Offer, as provided in Section 33.159.6; and (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.9 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(A) The Customer must maintain an Access Service Ratio of 95 percent (95%) or greater, calculated as described below, for services purchased by the Customer in the MSAs identified in Section 33.159.2(A)(2) of this Contract Offer.

The Access Service Ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer and its affiliates' interstate recurring billed revenue associated with the rate elements defined in Table G, below:

TABLE G

Service	**PBTC Tariff F.C.C. No.1,**
DS1 and DS3 Services	Section 7 and Section 31
OCN PTP[1]	See footnote below
SONET[1] Services	See footnote below

(2) Wholesale Revenue is the Customer and its affiliates' recurring billed revenue for associated rate elements, as defined in Table H, below, not included in the interstate tariff(s)and/or the Interstate Access Guidebook.

[1] OCN PTP and SONET services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.9 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(B) (2) (Cont'd)

Table H

Service Level	**Associated Rate Elements Not Included in Interstate Tariff**
DS1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
[1]OC-3 OC-12 OC-48	**[1]OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service**
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

[1] OC-3, OC-12, and OC-48 services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone (N)

Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.159 Contract Offer No. 159 – Access Service Offer (Cont'd)

33.159.9 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(B) (Cont'd)

(3) The terms of the Access Service Ratio applicable to this Contract Offer shall not alter the terms of any Access Service Ratio provision(s) of any other tariff(s) under which the Customer obtains service.

33.159.10 Termination Liability Charge

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 159 or the other Concurrently Subscribed Contract Offers for any reason other than material breach by the Telephone Company or one of the other Qualified Companies, or if the Telephone Company terminates this Contract Offer No. 159 or one of the other Qualified Companies terminates its other Concurrently Subscribed Contract Offers as a result of a material breach by the Customer, then this Contract Offer No. 159 shall be terminated (if not already terminated) and the Customer shall pay a termination liability charge in the aggregate amount as follows:

(A) If termination occurs during the first eighteen (18) months after the Subscription Date, the termination liability charge will be equal to (i) one hundred percent (100%) of all credits issued under the Concurrently Subscribed Contract Offers for the last six (6) months prior to the date of termination (if any credits have been earned but not issued, they would not be issued), any MIC earned for the previous Term Year, and any Above the MARC –Credits earned for the previous Term Year, plus (ii) twenty-five percent (25%) of the MARCs applicable for the remainder of the Term Period, pro-rated according to the amount of time remaining in each Term Year.

(B) If termination occurs during the nineteenth (19th) month of the Term Period or later, the termination liability charge will be equal to one hundred percent (100%) of all credits issued under the Concurrently Subscribed Contract Offers for the last six (6) months prior to the date of termination (if any credits have been earned but not issued, they would not be issued), any MIC earned for the previous Term Year, and any Above the MARC Credits earned for the previous Term Year.

The Customer shall pay any termination liability charges no later than thirty (30) days after notice by the Telephone Company. Any termination liability charge due under the Concurrently Subscribed Contract Offers shall apply in addition to, and shall not affect, any termination liability charges that may otherwise apply according to the terms of any applicable PBTC Tariff F.C.C. No. 1. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.160 Contract Offer No. 160 - Access Service Offer

33.160.1 General Description

This DS1 Service Offer (Contract Offer No. 160) is an access services plan that permits Customers who meet the Eligibility Criteria in Section 33.160.3, and the Terms and Conditions in Section 33.160.4, to disconnect Subject Services, as defined in Section 33.160.2, without incurring termination liability charges. This Contract Offer is available for subscription from July 26, 2012 through August 26, 2012. This Contract Offer is not renewable.

33.160.2 Subject Services

(A) Contract Offer No. 160 applies to the following pricing flexibility qualified access services (contained in the following tariff sections (Subject Services):

(1) Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Sections 7 and 31 - DS1 High Capacity Service.

(B) Subject Services must be located in the Pricing Flexibility MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in PBTC Tariff F.C.C. No. 1, Section 31, and those listed in Table A, below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs, the Customer may, at its option, include Subject Services in those MSAs in this Contract Offer.

Table A

MSA
Non-MSA, CA

(C) All terms and conditions for Subject Services are governed by their respective tariff sections, except as provided in this Contract Offer.

33.160.3 Eligibility Criteria

The following eligibility criteria must be met to subscribe to this Contract Offer No. 160:

(A) The Customer must be purchasing, as of the Subscription Date, no fewer than seven thousand four hundred (7400) and no more than eight thousand (8000) DS1 special access circuits from the Telephone Company that terminate at Qualified Cell Sites. (N)

(This page filed under Transmittal No. 468)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.160 Contract Offer No. 160 – Access Service Offer (Cont'd)

33.160.4 Terms and Conditions

(A) Term Period. The term of this Contract Offer (Term Period) shall be eighty-four (84) months, beginning on the date a signed Letter of Subscription (LOS) is received from the Customer by the Telephone Company (the Subscription Date).

(B) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer (Eligible ACNAs). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer.

(C) Subject Services eligible for termination liability waivers under this Contract Tariff shall not be eligible for similar termination liability waivers under any other pricing flexibility contract offer, promotional offering, discount plan or other arrangement.

(D) Commingling (as defined in PBTC Tariff F.C.C. No. 1, Section 2.6) of Subject Services provided pursuant to this Contract Offer No. 160 is prohibited.

(E) All traffic carried over Subject Services must originate or terminate at Mobile Switching Centers (MSCs) operated by, or on behalf of, the Customer.

(F) The Customer may disconnect any Subject Service without termination liability charges, provided that the conditions set forth below are met. If such termination liability charges are billed, the Telephone Company will issue credits to offset those charges.

(1) The Subject Service must have been in service for at least twelve (12) months prior to termination.

(2) The Subject Service must have been replaced by Ethernet-based service[1] provided to the Customer by the Telephone Company at the same Qualified Cell Site (Replacement Service).

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.160 Contract Offer No. 160 - Access Service Offer (Cont'd)

33.160.4 Terms and Conditions (Cont'd)

(F) (Cont'd)

(3) No lapse in billing may have occurred between the termination of the Subject Service and the installation of the Replacement Service.

(4) Replacement Services must have a minimum Committed Information Rate ("CIR") of 10 Mbps at each affected Qualified Cell Site.

(5) The Customer must include the "CNUM" associated with this Contract Offer on all disconnect orders for replaced Subject Services.

33.160.5 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.160 Contract Offer No. 160 - Access Service Offer (Cont'd)

33.160.5 Assignment/Transfer (Cont'd)

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.160.5 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

33.160.6 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings

33.161 Reserved for Future Use (T)

Material previously appearing on this page now appears on 9th Revised Page 32-2.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-2.1.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 6th Revised Page 32-3.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 3rd Revised Page 32-3.1.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-4.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-4.1.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-4.2.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.161 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 6th Revised Page 32-5.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.162 Contract Offer No. 162

33.162.1 General Description (N)

This Special Access Service Offer (Contract Offer No. 162) is an access services plan for which concurrent subscription is required to this Contract Offer and the following Access Tariff: Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, (collectively, with this Contract Offer No. 162, Concurrently Subscribed Contract Offers). SWBT and the Telephone Company, shall be identified herein as the "Qualified Companies." (Nx)

The Customer must meet the Eligibility Criteria set forth in Section 33.162.2, and also must comply with all terms and conditions of this Contract Offer. Contract Offer No. 162 requires the Customer to establish and satisfy a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 33.162.4(B). The MARC shall include recurring revenue for all Contributory Services purchased from the Qualified Companies. (N)

Contributory Services include Subject Services, as described in Section 33.162.4(A), and Non-Subject Services, as described in Section 33.162.4(B). Non-Subject Services are not eligible for credits or other incentives provided under this Contract Offer.

This Contract Offer is available for subscription from December 19, 2012 through January 19, 2013. This Contract Offer is not renewable.

33.162.2 Eligibility Criteria

To be eligible to subscribe to this Contract Offer, the following criteria must be met.

(A) During the twelve (12) months prior to the Customer's subscription to this Contract Offer, the Customer must have purchased services included as Contributory Services in this Contract Offer for which MARC-Eligible Charges (as defined in Section 33.162.6) were at least nine million dollars ($9,000,000). (N)

x – Issued under the authority of Special Permission No. 12-038 of the F.C.C.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.2 Eligibility Criteria (Cont'd)

(B) The Customer's billed recurring charges for Switched Access Dedicated Transport Services during the twelve (12) months prior to the Customer's subscription to this Contract Offer must have been no greater than forty thousand dollars ($40,000).

(C) During the year prior to the Customer's subscription to this Contract Offer, the Customer must have purchased services identified as Non-Subject Services in Table 3, below, resulting in monthly recurring charges (MRCs) of between $300,000 and $600,000. (N)

33.162.3 Concurrent Subscription (Nx)

In addition to this Contract Offer, the Customer must subscribe to the following Concurrently Subscribed Contract Offer: (Nx)

(A) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No.183. (Nx)

33.162.4 Contributory Services (N)

Subject Services and Non-Subject Services shall together be known as "Contributory Services." MARC-Eligible Charges (as defined in Section 33.162.6) for all Contributory Services shall be included for the purposes of determining the amount of the MARC and the Customer's satisfaction of the MARC.

(A) Subject Services.

(1) Subject Services are pricing flexibility-qualified access services contained in the following tariff sections, as listed in Table 1, below:

Table 1- Subject Services

Service	Tariff Section	Rates & Charges Phase I	Rates & Charges Phase II
Special Access DS1 Services	7.2.9	7.5.9	31.5.2.7
Special Access DS3 Services	20.4.1	20.4.3	39.5.2.12

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ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.4 Contributory Services (Cont'd)

(A) Subject Services. (Cont'd)

(2) Subject Services must be located in the Pricing Flexibility MSAs listed in Table 2, below:

Table 2- Metropolitan Statistical Area ("MSA")

STATE	MSA
CA	Sacramento
CA	San Diego
CA	San Francisco/Oakland
CA	Bakersfield
CA	Modesto
CA	Oxnard-Ventura
CA	Santa Rosa
CA	Stockton
CA	Fresno
CA	Los Angeles
CA	Long Beach
CA	San Jose

(3) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any services which are listed among the Subject Services in Table 1, and which the Telephone Company provides to the Customer in those additional MSAs, may, at the Customer's option, be included as Subject Services in this Contract Offer beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs, provided, however, that the MARC will be increased to reflect the recurring revenues associated with the additional Subject Services, based on the amount of such additional recurring revenues during the three (3) months prior to the inclusion of the additional Subject Services times four (4). (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.4 Contributory Services (Cont'd)

(B) Non-Subject Services.

(1) MARC-Eligible Charges (as defined in Section 33.162.(6) for Non-Subject Services shall be included in the MARC, but Non-Subject Services shall not otherwise be subject to the rates, terms or conditions of this Contract Offer. Non-Subject Services are listed in Table 3, below.

Table 3 - Non-Subject Services

Intrastate Special Access	Voice Grade, DS0 , DS1,and DS3 Exchange and Exchange Access Services
Interstate Broadband Service[1]	Optical Carrier Network ("OCN") Point-to-Point Service, Dedicated SONET Ring Service ("DSRS"), Gigabit Ethernet Metropolitan Access Network ("GigaMAN®") Service, Multi-service Optical Network ("MON") Ring Service, Optical Ethernet Metropolitan Area Network ("OPT-E-MAN®"), DecaMAN®, and Wavelength Metropolitan Area Network (WaveMAN℠). AT&T Switched Ethernet. Serial Component Video Service (SCVS), and High Definition Video Transport (HDVT)

(2) If the Telephone Company introduces any new special access or switched access service, or any enhancement to an existing special access or switched access service, then such services shall be automatically included as Non-Subject Services, and the Customer's purchases of such new or enhanced Non-Subject Services shall be included in the calculation of MARC-Eligible Charges.

[1] Interstate Broadband Services, as listed above, are provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, these services have been (N)

detariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at www.att.com/guidebook

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.5 Terms and Conditions

(A) Term Period. The term of this Contract Offer (Term Period) shall be sixty (60) months, beginning on the date the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer (the Subscription Date).

(B) Service Term. Each Subject Service shall be subject to a sixty (60) month service term commitment Term Payment Plan (TPP) 7.4.18, which shall begin as provided below (Service Term). Upon expiration of the Term Period of this Contract Offer, each Subject Service shall be provided for the remainder of the applicable Service Term, if any, according to the rates, terms and conditions applicable to a sixty (60) month term commitment pursuant to Section 7.16.4, as applicable.

(1) The Service Term for each Subject Service being purchased by the Customer prior to its subscription to this Contract Offer shall begin on the later of: (i) the date such Subject Service was placed in service, or (ii) the date on which the then-existing term commitment of the Subject Service (that is, its term commitment prior to subscription to this Contract Offer) began.

(2) The Service Term for each Subject Service purchased during the Term Period shall begin on the date the Subject Service is placed in service.

(C) Other Terms and Conditions.

(1) Except as expressly provided to the contrary in this Contract Offer, Subject Services are subject to the rates, charges, and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions of this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.5 Terms and Conditions (Cont'd)

(C) Other Terms and Conditions. (Cont'd)

(2) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer (Eligible ACNAs). Services ordered or purchased under other ACNAs may not be transferred to, or otherwise included in, this Contract Offer.

(3) Subject Services under this Contract Offer No. 162 may not be purchased pursuant to any pricing flexibility contract offer, broadband services agreement, or other individually negotiated tariff or agreement (referred to as "Other Commitment Agreement") that includes any revenue commitment, unless the Other Commitment Agreement expressly refers to this Contract Offer and expressly permits the Customer to purchase such services subject to both this Contract Offer and the Other Commitment Agreement. The word "purchase," as used in the foregoing sentence, refers to the Customer obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed.

(4) Commingling shall be as defined in PBTC Tariff F.C.C. No.1, Section 2.6, Commingling of Subject Services provided under this Contract Offer is prohibited.

(5) The Customer must pay billed charges in full throughout the Term Period, excluding amounts properly disputed. Any disputes will be governed by PBTC Tariff F.C.C. No. 1, Section 2.4.1(B)3. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.6 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to establish and satisfy a Minimum Annual Revenue Commitment (MARC) for each Term Year. The MARC shall be based on billed annual recurring revenue, net of any applicable discounts or credits, and any other applicable credits or adjustments issued as of the time of the applicable Annual True-up Process for, in the aggregate, Contributory Services as set forth in Section 33.162.4 of this Contract Offer No.162, and the "Contributory Services" as set forth in the other Concurrently Subscribed Contract Offer (such charges collectively referred to as "MARC-Eligible Charges"), provided, however, that any credits issued pursuant to the Concurrently Subscribed Contract Offers shall not be included in determining MARC-Eligible Charges.

(A) Establishing the MARC

(1) The Customer's MARC for the first year of the Term Period shall be the greater of(i) nine million dollars ($9,000,000), or (ii) four (4) times the Customer's MARC-Eligible Charges for the most recent three (3) months prior to the beginning of the Term Period, which in either case will be rounded to the nearest thousand dollars ($1,000).

(2) The MARC for the each subsequent Term Year shall be the greater of: (i) the Customer's MARC-Eligible Charges during the last three (3) months of the prior Term Year, multiplied by four (4) and rounded to the nearest thousand dollars ($1,000), or (ii) the MARC in effect during the prior Term Year.

Example 1:Assume that the Term Period begins on January 1, 2013, and that the Customer's MARC-Eligible Charges from October 1, 2013 through December 31, 2013 are $2,100,000. $2,100,000 times four equals $8,400,000. Because $8,400,000 is less than $9,000,000, the second-year MARC will be equal to the first-year MARC of $9,000,000.

Example 2: Assume that the Term Period begins on January 1, 2013, and that the Customer's MARC-Eligible Charges from October 1, 2013 through December 31, 2013 are $3,500,000. $3,500,000 times four equals $14,000,000. Because $14,000,000 is greater than (N)

$9,000,000, the second-year MARC will be $14,000,000.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.6 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Failure to Achieve the MARC

(1) Quarterly Review. The Customer and the Telephone Company shall exchange information quarterly, and shall meet quarterly, if necessary, to review the Customer's progress toward achieving the MARC. The Customer and the Telephone Company will meet in the ninth month of each Term Year to discuss and address, if necessary, compliance with the Contract Offer.

(2) Annual True-up Process. Following the completion of each Term Year, the Telephone Company will review the Customer's MARC-Eligible Charges for that Term Year to determine whether the Customer has satisfied the MARC. If the Customer's MARC-Eligible Charges for any Term Year are less than the MARC for that Term Year, the Telephone Company will bill and Customer will pay an amount equal to the difference between the MARC and the Customer's MARC-Eligible Charges. The True-up calculation will be performed as follows:

MARC – MARC-Eligible Charges = Annual True-Up Amount

The Customer must pay any Annual True-Up Amount within thirty (30) days after receipt of an invoice from the Telephone Company.

(C) Incentive Credit Schedule and Application
After the end of each Term Year, the Customer may be eligible to receive an Incentive Credit, based upon the Customer's total MARC-Eligible Charges for that Term Year, as provided in Table 4, below. The Incentive Credit will be calculated as a percentage credit, as provided in Table 4, based on the difference (expressed in dollars) between the MARC in effect during the first Term Year and the Customer's total MARC-Eligible Charges for that Term Year. No Incentive Credit shall be issued unless the Customer's MARC-Eligible Charges exceed the MARC for the first Term Year by at least ten percent (10%). The Incentive Credit, if applicable, will be issued to the Customer within sixty (60) days after the end of each Term Year. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.6 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) Incentive Credit Schedule and Application (Cont'd)

TABLE 4:

Amount by Which MARC-Eligible Charges Exceed First-Year MARC	Credit Percentage Applicable to MARC-Eligible Charges in Excess of First-Year MARC
MARC plus 10% to MARC plus 19.99%	5%
MARC plus 20% to MARC plus 29.99%	7.50%
MARC plus 30% or greater	10%

Example #1: During a given Term Year, the Customer has a MARC of $9,000,000 and MARC-Eligible Charges of $10,000,000. The Customer's MARC-Eligible Charges fall in the range of MARC plus 10% to MARC plus 19.99%, so the Customer qualifies for an Incentive Credit of 5% of the difference (in dollars) between the first-year MARC and the MARC-Eligible Charges, as determined below:

(1) $10,000,000 is more than 10% greater than $9,000,000 and less than $10,800,000, so 5% Incentive Credit applies.
(2) $10,000,000 - $9,000,000 = $1,000,000.
(3) $1,000,000 x .05 = $50,000.

33.162.7 Rates

(A) Monthly Recurring Charges. The Telephone Company will initially bill the Customer according to the otherwise applicable sixty (60) month Term Payment Plan Monthly Recurring Charges ("TPP MRCs"). The Customer will then be credited in an amount equal to the percent discount listed in Table 5, below, off the TPP MRCs applicable to Subject Services. Credits will be applied monthly in arrears. Taxes, if applicable, will be charged on the TPP MRC rates, but will not be included in the credits applied to the Customer's bill. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.7 Rates (Cont'd)

(A) Monthly Recurring Charges. (Cont'd)

Table 5

DS1 Rate Element	USOC	Zones	Discount
Channel Termination	TMECS	1,2,3	5%
Channel Mileage Fixed	1L5XX	1,2,3	5%
Channel Mileage per mile	1L5XX	1,2,3	5%
Multiplexing	MQ1/MQ2/QMU	1,2,3	5%
DS3 Rate Element	USOC	Zones	Discount
Channel Termination - electrical	TUZPX	1,2,3	5%
Channel Termination - optical	TKZPX	1,2,3	5%
Channel Mileage Fixed	10XHX	1,2,3	5%
Channel Mileage per mile	1J5HS	1,2,3	5%
Multiplexing	MKM	1,2,3	5%

(B) Non-Recurring Charges

(1) Conversion of Unbundled Network Elements and Upgrades of Existing Special Access Services.

The Telephone Company will waive applicable installation non-recurring charges (NRCs) associated with the conversion of Unbundled Network Elements (UNEs) or upgrades of existing special access services to Subject Services purchased pursuant to this Contract Offer.

(2) New Subject Services.

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract Offer, except for Access Order Charges. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.7 Rates (Cont'd)

(B) Non-Recurring Charges (Cont'd)

(3) In the event that installation NRCs subject to waiver under this Contract Offer are billed by the Telephone Company, the Customer will receive credits for those charges on a quarterly basis. The Customer must pay all other applicable NRCs, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in PBTC Tariff F.C.C. No. 1, for Subject Services pursuant to this Contract Offer.

33.162.8 Termination Liability Waiver

This Section 33.162.8 applies to any Subject Services that are not included in any portability commitment provided in PBTC Tariff F.C.C. No. 1, Section 7. For any Subject Services that are included in any portability commitment provided in Section 7, any waiver of termination liability will be governed by the relevant provisions of Section 7.

Termination liability charges for any moves and/or disconnections of Subject Services will initially be billed by the Telephone Company, and paid by the Customer, as otherwise provided in this PBTC Tariff F.C.C. No. 1. The Telephone Company will issue credits to the Customer for those charges on a quarterly basis, provided that the following conditions have been met:

(A) The Customer must be in compliance with the Concurrently Subscribed Contract Offers;

(B) Any DS1 Subject Service must have been in service for a minimum of six (6) months from its original installation date; and

(C) Any DS3 Subject Service must have been in service for a minimum of eighteen (18) months from its original installation date. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.9 Mergers and Acquisitions involving the Customer.

The terms and conditions of Contract Offer No. 162 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for services of the other company involved in the merger or acquisition will not be eligible for inclusion in this Contract Offer, including any calculations with respect to the MARC.

33.162.10 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it). (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.10 Assignment/Transfer (Cont'd)

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section is not available, the Telephone Company shall exercise its reasonable discretion to determine the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.11 Termination Liability

(A) Termination Liability Charges

If this Contract Offer is terminated either (i) by the Customer for any reason other than a material default by the Telephone Company, or (ii) by the Telephone Company due to Customer's material breach of this Contract Offer (including, without limitation, Customer's failure to remit any Annual True-up payment as provided in Section 33.162.6 of this Contract Offer), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The termination liability charge shall be equal to the following:

(1) Fifty percent (50%) of all credits and/or waivers of NRCs or termination liability charges provided under this Contract Offer during the six (6) months immediately prior to the date of termination; plus

(2) Twelve and one-half percent (12.5%) of the MARC for the remainder of the Term Period, which amount will be pro-rated for any partial years remaining in the Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.162 Contract Offer No. 162 (Cont'd)

33.162.11 Termination Liability (Cont'd)

(B) Except as provided to the contrary in this Contract Offer, if the Customer terminates individual Subject Services or rate elements prior to the completion of any applicable Service Term during the Term Period (other than as the result of a material breach by the Telephone Company), but this Contract Offer is not terminated and Customer continues to purchase other Subject Services hereunder, or if the Telephone Company terminates individual Subject Services or rate elements prior to the end of the applicable Service Term during the Term Period due to Customer's material breach of this Contract Offer, the Customer will be liable for a termination charge, which shall be equal to fifty percent (50%) of the MRCs for the disconnected Subject Services or rate elements for the balance of the Service Term (MRC X 50% X (months remaining in the applicable Service Term).

Example: Customer terminates a Subject Service with a $1,000 MRC after forty-eight (48) months, and has twelve (12) months remaining in the sixty (60) month Service Term during the Term Period. The termination liability would be calculated as:
$1,000 X 12 X 50% = $6,000 service termination liability charge.

33.162.12 New Special Access Service Offerings.

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer, or other contract or tariff arrangement, to purchase the new service offerings from the Telephone Company in substitution for the Subject Services provided under this Contract Offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer, or other contract or tariff governing the new service offerings, must include a term period and revenue. (N)

(This page filed under Transmittal No. 481)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (N)

33.163.1 General Description (N)

This Access Service Offer (Contract Offer No. 163) is an access discount pricing plan for which concurrent subscription is required to the following Access Tariffs: BellSouth Telecommunications LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 57; Ameritech Operating Companies (Ameritech) Tariff F.C.C. No 2, Contract Offer No. 214; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 163; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 57; and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 184 (collectively, the “Concurrently Subscribed Contract Offers”). BellSouth, Ameritech, PBTC, SNET and SWBT shall be identified herein as the “Qualified Companies.” (Nx)

Contract Offer No. 163 requires eligible Customers to satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 33.163.6. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services and Non-subject Services purchased from Pacific Bell Telephone Company (“PBTC” or “Telephone Company”) and all “Subject Services” and “Non-Subject Services,” as defined in the other Concurrently Subscribed Contract Offers described in Section 33.163.4(B) (together referred to as “Contributory Services”). (N)

Subject Services provided by the Telephone Company are described in Section 33.163.3.

This Contract Offer No. 163 is available for subscription only from February 12, 2013 through March 12, 2013. This offer is not renewable.

33.163.2 Contributory Services

The MARC shall include revenue from all Contributory Services purchased from the Qualified Companies, under both this Contract Offer and the concurrently subscribed Contract Offers listed in Section 33.163.4(B). Recurring revenues for all Contributory Services shall be included for the purposes of determining the amount of the MARC and the Customer’s satisfaction of the MARC. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.3 Contributory Services shall be comprised of Subject Services and Non-Subject Services as described below:

(A) Subject Services

Subject Services are listed in Table A, below. Each Subject Service under this Contract Offer must be ordered and purchased pursuant to a three (3) year term commitment, pursuant to Section 31.5.2.7, as applicable.

Table A – Subject Services

Interstate Special Access	DS1 & DS3
Includes only those services listed above and located in Pricing Flexibility Metropolitan Statistical Areas (MSAs), as described in 33.163.4(A) herein.	

(B) Subject Services ordered and purchased by the Customer prior to its subscription to this Contract Offer will be referred to as "Existing Subject Services."

(C) Subject Services that were not being purchased from the Telephone Company prior to its subscription to this Contract Offer will be referred to as "New Subject Services."

(D) All terms and conditions for the Subject Services are governed by the respective tariff sections, except as provided in this Contract Offer No. 163.

(E) Non-Subject Services

All recurring revenue from Non-Subject Services shall be included in the MARC, but shall not otherwise be subject to the rates, terms or conditions of this Contract Offer. Non-Subject Services are listed in Table B, below. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.3 Contributory Services shall be comprised of Subject Services and Non-Subject Services as described below: (Cont'd)

(E) Non-Subject Services (Cont'd)

Table B – Non-Subject Services

Category	Services Included
Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs), and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief.	DS1, DS3
Broadband Interstate Special Access	Optical Carrier Network (OCN) Point-to-Point, Dedicated SONET Ring Service (DSRS),GigaMAN®, DecaMAN®, BellSouth Metro Ethernet Service, OPT-E-MAN Services and AT&T Switched Ethernet Service[1]

33.163.4 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 163:

(A) Subject Services must be located in the Pricing Flexibility MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and those listed in Table C, below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs, the Customer may, at its option, include Subject Services in those MSAs in this Contract Offer.

[1] Optical Carrier Network (OCN) Point-to-Point, Dedicated SONET Ring Service (DSRS),GigaMAN®, DecaMAN®, BellSouth Metro Ethernet Service, OPT-E-MAN Services and AT&T Switched Ethernet Service are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms, and conditions associated with de-tariffed services are available at www.att.com/guidebook.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33. XXX.4 Eligibility Criteria

(A) (Cont'd)

Table C

MSA	State
Non-MSA	CA

(N)

(B) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to, and purchase service under, each of the following Contract Offers: (Nx)

- BellSouth F.C.C. Tariff No 1, Contract Offer No. 79;
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 214;
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 163;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 184; and
- SNET Tariff F.C.C. No. 39, Contract Offer No. 57. (Nx)

(C) The Customer must be purchasing, as of the Subscription Date (as defined in Section 33.163.5(A)), no fewer than three hundred (300) and no more than four hundred (400) DS1 interstate special access circuits, and no fewer than thirty (30) and no more than (60) DS3 interstate special access circuits from the Telephone Company. (N)

(D) During the month prior to the Customer's subscription to this Contract Offer, no less than fifty-five percent (55%) of the monthly recurring charges billed by the Qualified Companies to the Customer, in the aggregate, must have been for Ethernet-based services.[1]

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33. 163.4 Eligibility Criteria (Cont'd)

(E) As of Subscription Date, neither the Customer, nor any of its affiliates, may order, or may be purchasing (including the continuing purchase of services previously ordered), any special access service from any of the Qualified Companies pursuant to any other pricing flexibility contract offer, broadband service agreement or other individually negotiated arrangement that includes a revenue or volume commitment, including, without limitation, any minimum annual revenue commitment ("MARC"), quarterly revenue objective ("QRO") or similar commitment), unless the other tariff, contract or other arrangement refers specifically to the Concurrently Subscribed Contract Offers, provided, however, that this provision shall not preclude the Customer from subscribing to, and purchasing pursuant to, an individual case basis (ICB) contract containing a commitment requiring the Customer to purchase a stated minimum number of services or rate elements.

33.163.5 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 163:

(A) Term Period. The term of this Contract Offer No. 163 (Term Period) shall be thirty-six (36) months, beginning on the date the Letter of Subscription (LOS) is received from the Customer by the Telephone Company (the Subscription Date). Each twelve (12) month period of the Term Period, beginning with the date of the Customer's subscription, shall be referred to as a Term Year. This Contract Offer, including, without limitation, the accrual of credits pursuant to this Contract Offer, shall cease upon the expiration of the Term Period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.5 Terms and Conditions (Cont'd)

(B) To subscribe to this Contract Offer, the Customer must submit a signed Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all the Access Customer Name Abbreviations (ACNAs) to be included in this Contract Offer (Eligible ACNAs), which shall include the Customer and any and all of its affiliates or subsidiaries in existence as of the Subscription Date. Services ordered or purchased under other ACNAs may not be transferred to, or converted for, inclusion under this Contract Offer.

(C) Service Term. Each Subject Service shall be purchased pursuant to a thirty-six (36) month Term Payment Plan ("TPP"). The Service Term for each New Subject Service shall begin on the date the Subject Service is placed in service (Service Term). Upon expiration of the Term Period or termination of this Contract Offer by Customer, or as a result of Customer's breach, each Subject Service shall be provided for the remainder of the applicable Service Term according to the rates, terms and conditions applicable to a thirty-six (36) month TPP as described in PBTC Tariff F.C.C. No. 1, Section 31.5.2.7, as applicable. Any Existing Subject Service converted to this Contract Offer shall be subject to a new thirty-six (36) month Service Term, which will be effective as of the Subscription Date.

Upon completion of the applicable Service Terms, Subject Services will be provided at the prevailing applicable month-to-month/monthly extension rates described in Sections 31.5.2.7 for DS1 and DS3 Subject Services, unless the Customer selects another applicable Term Pricing Plan or other applicable rate, or disconnects the service.

(D) All services that constitute Subject Services, as defined in this Contract Offer that are being purchased by the Customer, or any of its affiliates, as of the Subscription Date, must be purchased under this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.5 Terms and Conditions (Cont'd)

(E) Subject Services purchased under this Contract Offer shall not be included in any other pricing flexibility contract offer, promotional offering, discount plan or other arrangement unless expressly permitted by such other pricing flexibility contract offer, promotional offering, discount plan or other arrangement.

(F) All terms and conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein. Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2 - General Conditions, 5 -Ordering Conditions, and 13 - Labor & Testing Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No. 163.

(G) Commingling is defined in PBTC Tariff F.C.C. No. 1, Section 2.6. Commingling of Subject Services provided pursuant to this Contract Offer No. 163 is prohibited.

(H) Termination Liability Waiver. The Telephone Company will waive, or issue offsetting credits for, otherwise applicable termination liability charges for moves and/or disconnection of Subject Services, not to exceed three hundred fifty (350) DS1 and/or DS3 Subject Services, subject to the conditions listed below. In the event that termination liability charges for any moves and/or disconnections eligible for waiver or credits under this provision are billed by the Telephone Company, the Telephone Company will issue credits for such charges on a quarterly basis. To receive credits for termination liability charges for such moves and/or disconnects of New and Existing Subject Services, the following conditions must be satisfied: (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.5 Terms and Conditions (Cont'd)

(H) Termination Liability Waiver (Cont'd)

(1) The Customer must be in compliance with all terms and conditions of this Contract Offer.

(2) Subject Service must have been in service for a minimum of twenty-four (24) months from its installation date to its disconnection date.

(3) The Customer must include the Contract Number associated with this Contract Offer on all disconnect orders for Subject Services.

(I) Termination Liability Waiver for Ethernet[1] Upgrade. In addition to the provisions of Section 33.163.5(H), above, the Telephone Company will waive, or issue offsetting credits for, termination liability charges resulting from the replacement of DS1 Subject Services by Ethernet-based[1] service provided to the Customer by The Telephone Company. In the event that termination liability charges are billed by the Telephone Company in the event of such Ethernet[1] replacement, the Telephone Company will issue credits for such charges on a quarterly basis. To receive credits for termination liability charges for such moves and/or disconnects for New and Existing Subject Services, the following conditions must be satisfied:

(1) No lapse in billing may have occurred between the termination of the DS1 Subject Service and the installation of the Ethernet-based[1] replacement service.

(2) The Ethernet-based[1] replacement service must be at the same Customer location as the terminated Subject Service.

(3) The Ethernet-based[1] replacement service must have a minimum bandwidth of 5 Mbps at each relevant Customer location.

(4) DS1 Subject Service must have been in service for a minimum of twelve (12) months from its installation date.

(5) The Customer must include the Contract Number associated with this Contract Offer on all disconnect orders for Subject Services.

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, such services have been de-tariffed by the

(N)

Telephone Company. Rates, terms and conditions associated with detariffed services are available at www.att.com/guidebook.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.6 Minimum Annual Revenue Commitment (MARC)

(A) The Customer shall be subject to a Minimum Annual Revenue Commitment (MARC). The MARC shall include recurring revenue from all Contributory Services (MARC Revenue). MARC Revenue shall also include any Termination Liability Charges paid, but not credited quarterly pursuant to Section 33.163.5(H), above, for Subject Services. MARC Revenue shall specifically exclude non-recurring charges, usage-based charges and temporary service charges. The Customer's MARC obligation shall be a continuing obligation during the entire Term Period, which shall survive any breach or termination of this Contract Offer by the Customer.

(B) The Customer's MARC shall be equal to the Customer's MARC Revenue during the three (3) months immediately prior to the Subscription Date, multiplied by four (4), then multiplied by eighty two percent (82%), and rounded up to the nearest thousand dollars.

Annual True-up: Following the end of each Term Year, the Qualified Companies will compare the Customer's MARC Revenue to the MARC. If the Customer's MARC Revenue for the Term Year is less than the MARC, the Qualified Companies will bill, and the Customer must pay, the difference between the Customer's MARC Revenue and the MARC (True-up Amount). The Qualified Companies will bill the True-up Amount as a single debit entry for, in the aggregate, this Contract Offer and all of the other Concurrently Subscribed Contract Offers, which amount shall be billed the same BAN designated by the Customer.

33.163.7 Monthly Recurring Charges (MRCs) – New Subject Services

(A) MRCs – Application of Credits for New Subject Services.

The Telephone Company will initially bill the Customer according to the applicable thirty-six (36) month Term Payment Plan Monthly Recurring Charges (TPP MRCs) The Customer shall then be credited in an amount equal to the difference between the TPP MRCs and the rates Tables D, below. Credits will be applied monthly, in arrears. Taxes, if applicable, will be charged on the TPP MRC rates, but will not be included in the credits applied to the Customer's bill.

The MRCs in Table D, below, will apply to New Subject Services. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.7 Monthly Recurring Charges (MRCs) – New Subject Services (Cont'd)

(A) MRCs – Application of Credits for New Subject Services (Cont'd)

Table D

DS1 Description	All States - All Zones USOC	Rate
Channel Termination - Per Point of Termination	TMECS	$116.38
Channel Mileage-Fixed	1L5XX	$40.38
Channel Mileage-Per Mile	1L5XX	$9.26
Central Office Multiplexing DS1 to DS0 voice/digital	MQ1	$161.50
DS3 Description	All States- All Zones	
	USOC	Rate
Channel Termination – Per Point of Termination	Z3MAC Z3MAP	$810.00
Channel Mileage Fixed	1L5XX	$373.50
Channel Mileage - Per Mile	1L5XX	$18.90
DS3 to DS1 Multiplexing	MQ3	$267.75

(B) Non Recurring Charges (NRCs)

(1) Non-recurring charges (NRCs) will apply to Existing Subject Services as provided in Section 31.5.2.7.

(2) NRCs will apply to New Subject Services, as provided in Sections 31.5.2.7, except as provided in Table E, below.

Table E

Rate element – DS1 New Subject Services ONLY	USOC	NRC Charge
Rollover when point of Termination Changes	NRBR0	$50.00

(This page filed under Transmittal No. 483)

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.7 Monthly Recurring Charges (MRCs) – New Subject Services (Cont'd)

(C) Monthly Credit

For each month of the Term Period, the Customer may be eligible for a monthly credit under this Contract Offer and the other Concurrently Subscribed Contract Offers ("Monthly Credit" or "MC").

The Telephone Company will review the number of Existing Subject Services then in service during each month of the Term Period, and will issue an MC to the Customer in the amount of one hundred three dollars ($103) for each DS1 Existing Subject Service and two hundred twelve dollars ($212) for each DS3 Existing Subject Service in service as of the end of the month being reviewed, provided, however, that the total amount of the MC shall not exceed fifty-nine thousand three hundred fifty-two dollars ($59,352) per month, in total, for all of the Concurrently Subscribed Contract Offers. Beginning no later than sixty (60) days after the Subscription Date, the Telephone Company will begin to issue an MC. Subject to the foregoing sentence, the Telephone Company will apply the MC to the Customer's bill no later than thirty (30) days after the end of the month during which the Customer qualified for the MC.

If the Customer is in material breach of this Contract Offer or any other terms and conditions applicable to the Subject Services, including, without limitation, the Customer's obligation to pay all undisputed amounts due for Subject Services, the MC shall not be issued unless such breach is cured within ninety (90) days after the MC would otherwise have been issued.

33.163.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it). (N)

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(N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.8 Assignment/Transfer/Successors (Cont'd)

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.163.8 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

33.163.9 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.163 Contract Offer No. 163 – DS1/DS3 Special Access Offer (Cont'd)

33.163.10 Termination

Termination liability, as described below, applies in lieu of termination liability as described in PBTC F.C.C. Tariff 1. Termination liability charges shall become due as of the effective date of the termination of service.

If the Customer terminates any Subject Service before the completion of the Term Period, or if the Telephone Company terminates any Subject Service as a result of the Customer's breach of this Contract Offer, the Customer's termination liability charge shall be equal to fifty percent (50%) of the applicable monthly charges for the remainder of the Term Period.

The termination liability charge will be calculated as follows:

(MRCs) multiplied by (months remaining in term), multiplied by (termination liability percentage of 50%).

Example: The Customer terminates service on a DS3 with a $1,202.50 monthly charge after thirty (30) months of service, and has six (6) months remaining in the thirty-six (36) month term. The termination liability would be calculated as:

$1,202.50 X 6 X .50 = $3,607.50 termination liability charge. (N)

33. Pricing Flexibility Contract Offerings

33.164 Reserved for Future Use (T)

Material previously appearing on this page now appears on 5th Revised Page 32-6.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 6th Revised Page 32-7.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-8.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-9.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 8th Revised Page 32-10.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-11.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-11.1.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-12.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 3rd Revised Page 32-12.1.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 6th Revised Page 32-13.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 9th Revised Page 32-14.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-15.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-16.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 3rd Revised Page 32-16.1.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 4th Revised Page 32-17.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 3rd Revised Page 32-18.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-19.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-20.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 8th Revised Page 32-21.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 6th Revised Page 32-22.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-23.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 8th Revised Page 32-24.

33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-25.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 5th Revised Page 32-26.

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33. Pricing Flexibility Contract Offerings (Cont'd)

33.164 Reserved for Future Use (Cont'd) (T)

Material previously appearing on this page now appears on 6th Revised Page 32-27.

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33. Pricing Flexibility Contract Offerings (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer

33.165.1 General Description

This Special Access Service Offer (Contract Offer No. 165) is an access discount pricing plan. This Contract Offer permits Customers who meet the Eligibility Criteria in Section 33.165.3, and the Terms and Conditions in Section 33.165.4, to purchase the Subject Services listed in Section 33.165.2, and to receive rates and charges as provided in Section 33.165.5. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSAs) listed in Section 33.165.2 (B).

This Contract Offer is available for subscription from June 1, 2013 through July 1, 2013. This Contract Offer is not renewable.

33.165.2 Subject Services

(A) This Contract Offer applies to pricing flexibility qualified services (Subject Services) contained in the following tariff section: Pacific Bell Telephone Company ("PBTC) Tariff F.C.C. No. 1, Sections 7 and 31 – DS1 High Capacity Service.

(B) Subject Services must be located in the MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in PBTC F.C.C. No. 1, Section 31, and those listed in Table A, below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 or Table A, the Customer may, at its option, include Subject Services in those additional MSAs under this Contract Offer No. 165.

Table A

MSA	
Non-MSA	CA

(C) Subject Services must originate or terminate on a wireless carrier's network. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.2 Subject Services (Cont'd)

(D) Subject Services must terminate at a cell site which satisfies all of the following criteria: (i) is a site at which the Customer is purchasing Ethernet-based[1] service from the Telephone Company, having a Committed Information Rate of at least twenty (20) megabits per second (Mbps), and a term commitment of at least eighty-four (84) months, (ii) is in operation as of the Effective Date, and (iii) is not subject to any other contract offer dependent upon the purchase of Ethernet-based[1] services from the Telephone Company. Cell sites that meet these criteria are referred to in this Contract Offer as "Qualified Cell Sites."

(E) Subject Services may not be subject to any other contract offer as of the Effective Date of this Contract Offer. The Customer may not purchase Subject Services under this Contract Offer at any cell sites to which subject services (as defined under another Contract Offer) are provided under such other Contract Offer.

33.165.3 Eligibility Criteria

The Customer must meet the following Eligibility Criteria as of the date that this Contract Offer becomes effective (Effective Date):

(A) The Customer must have purchased interstate special access DS1 and DS3 services with total billed monthly recurring charges, net of discounts and credits, during the twelve (12) months prior to the Effective Date of this Contract Offer, of at least one hundred fifty million dollars ($150,000,000) from, collectively, the Telephone Company, Ameritech Operating Companies, The Southern New England Telephone Company, Southwestern Bell Telephone Company, BellSouth Telecommunications, LLC and Nevada Bell Telephone Company.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165-Special Access Wireless DS1 Service Offer (Cont'd)

33.165.3 Eligibility Criteria (Cont'd)

(B) The Customer must be operating, as of the Effective Date of this Contract Offer, no fewer than the minimum number and no more than the maximum number of Qualified Cell Sites within the Telephone Company's incumbent local exchange area in each of the MSAs listed in Table B, below.

Table B

MSA	**Minimum Number of Cell Sites in MSA**	**Maximum Number of Cell Sites in MSA**
Bakersfield, CA	69	138
Fresno, CA	21	42
Los Angeles-Long Beach, et al., CA	336	672
Non-MSA, CA	12	24
Oxnard-Simi Valley-Ventura, CA	4	8
Sacramento, CA	4	8
San Diego, CA	24	48
San Francisco/Oakland, CA	24	48
San Jose, CA	24	48
Stockton, CA	50	100

(C) The Customer must be purchasing, as of the Effective Date of this Contract Offer, no fewer than the minimum number and no more than the maximum number of DS1 special access circuits from the Telephone Company within each of the MSAs listed in Table C, below, each of which terminate at Qualified Cell Sites.

Table C

MSA	**Minimum Number of DS1 special access circuits in MSA**	**Maximum Number of DS1 special access circuits in MSA**
Bakersfield, CA	69	414
Fresno, CA	21	126
Los Angeles-Long Beach, et al., CA	336	2016
Non-MSA, CA	12	72
Oxnard-Simi Valley-Ventura, CA	4	236
Sacramento, CA	4	185
San Diego, CA	24	288
San Francisco/Oakland, CA	24	1057
San Jose, CA	24	401
Stockton, CA	50	300

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.3 Eligibility Criteria (Cont'd)

(D) The Customer must be purchasing, as of the Effective Date, Ethernet[1] Services at no fewer than ten thousand (10,000) Qualified Cell Sites from, collectively, the Telephone Company, Ameritech Operating Companies, The Southern New England Telephone Company, Southwestern Bell Telephone Company, BellSouth Telecommunications, LLC and Nevada Bell Telephone Company.

(E) During the twelve (12) months prior to the Subscription Date, the Customer must have purchased long distance voice services from an affiliate of the Telephone Company, including, but not limited to, ABN/OneNet,[2] representing aggregate recurring billed revenues of no less than one hundred and fourteen million dollars ($114,000,000) during those twelve (12) months, after applicable discounts, credits and adjustments.

33.165.4 Terms and Conditions

(A) Term Period
The term of this Contract Offer (Term Period) commences on the date the Telephone Company receives the signed Letter of Subscription (LOS) from the Customer (Subscription Date), and ends on December 1, 2020. Upon expiration or termination of the Term Period, all Subject Services shall be provided according to the prevailing monthly extension rates in PBTC Tariff F.C.C. No. 1, Sections 31.5.2.7.1 and 7.5.9, unless:

(i) The Customer selects an applicable Term Pricing Plan/Optional Payment Plan; or
(ii) Either Party disconnects the Subject Services in a manner consistent with PBTC Tariff F.C.C. No. 1, Section 31.5.2.7.1.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook

[2] ABN/OneNet services are provided on a contractual basis outside of the tariff, including all terms and conditions. Rates, terms and conditions associated with ABN/OneNet services are available at http://new.serviceguide.att.com/ (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165-Special Access Wireless DS1 Service Offer (Cont'd)

33.165.4 Terms and Conditions (Cont'd)

(B) Grandfathering or Sunsetting of Subject Services
Notwithstanding anything to the contrary in this Contract Offer, this Contract Offer shall not prevent the Telephone Company from limiting or precluding new purchases or reconfigurations of Subject Services, or from terminating the provision of Subject Services entirely, prior to the end of the Term Period to the extent permitted by applicable law. Any such changes will be implemented by amending the applicable tariff sections.

(C) General Terms and Conditions

(1) Subject Services are subject to certain rates, charges and general terms and conditions described in PBTC Tariff F.C.C. No. 1, Sections 2, 5, 7, 13 and 31, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the terms and conditions of this Contract Offer. If any provision of this Contract Offer conflicts with any otherwise applicable provisions of PBTC Tariff F.C.C. No. 1, Sections 2, 5, 7, 13 or 31, this Contract Offer shall govern over the conflicting provision.

(2) All terms and conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(3) During the Term Period, the Customer (including any of its affiliates) may not order or purchase any Subject Service (including the continuing purchase of any service previously ordered) which is subject to any other: (i) contract offer, (ii) pricing flexibility contract offer containing a revenue commitment or revenue objective (e.g., Minimum Annual Revenue Commitment (MARC), Quarterly Revenue Objective (QRO)), or volume commitment in which Subject Service revenue from this Contract Offer is eligible to be included, unless such other contract offer specifically refers to this Contract Offer, (iii) promotional offering, or (iv) any other discount plan or agreement, except as expressly provided in the above.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(4) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company, which must include a list of eligible Access Customer Name Abbreviations (ACNAs) under which the Customer may purchase Subject Services pursuant to this Contract Offer. The LOS will also include a list of all Qualified Cell Sites at which the Customer may purchase Subject Services. The Contract Offer will not apply to services purchased under, or transferred from, other ACNAs, or services purchased for other cell sites.

(5) All Subject Services must be ordered under a Term Payment Plan ("TPP"), as described in Section 31 of PBTC Tariff F.C.C. No. 1, under the longest term commitment available at the time of the Customer's order, or at month-to-month rates if no TPP rate is available at the time of the Customer's order. This ordering requirement is for administrative purposes only, to assure the proper provisioning and billing of Subject Services. Subject Services will not be subject to any term commitment or termination liability charges as provided in Section 31, or to any other ordering obligations inconsistent with this Contract Offer. Rates and charges for Subject Services shall include credits provided under Section 33.165.5 of this Contract Offer.

(6) Termination Liability charges shall not apply to the conversion to this Contract Offer of any Subject Service previously provided pursuant to PBTC Tariff F.C.C. No. 1. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions (Cont'd)

(7) The Customer may disconnect any Subject Service without termination liability charges unless Customer has an uncured material breach of this Contract Offer or of any other applicable tariff provision with respect to such Subject Services. The Telephone Company will initially bill such termination liability charges. Following receipt of any invoice containing termination liability charges subject to this Contract Offer, the Customer will identify those termination liability charges associated with Subject Services under this Contract Offer. The Telephone Company will then review the termination liability charges identified by the Customer and will issue credits to offset those termination liability charges eligible subject to this provision. If the Telephone Company terminates any Subject Service as a result of the Customer's uncured material breach of this Contract Offer or of any other applicable tariff provision, termination liability charges shall apply in the amount of (i) fifty percent (50%) of the discounted Monthly Recurring Charges ("MRCs") applicable to the terminated Subject Services, net of all credits provided for in this Contract Offer, multiplied by (ii) the number of calendar months, or fractions thereof, remaining in the Term Period following the effective date of the termination. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.5 Rates and Charges

(A) The Customer may purchase Subject Services at those Qualified Cell Sites at which Customer has purchased Ethernet-based[1] services from the Telephone Company at a fixed MRC of one hundred eight ($108) dollars per month for each Subject Service that is multiplexed and connects to a Telephone Company special access interoffice transport service purchased by the Customer. The Telephone Company will initially bill the Customer according to the otherwise applicable TPP or month-to-month MRCs. The Customer will then be credited in an amount equal to the difference between the TPP or month-to-month MRCs and the rates in Table D, below. Credits will be applied monthly in arrears. Taxes, if applicable, will be charged on the TPP or month-to-month MRCs, but will not be included in the credits applied to the Customer's bill.

Table D

Rate Element	**USOC**	**MRC**
Channel Termination	TMECS	$108 (Net Bundled Rate)
Fixed Mileage	1L5XX	
Variable Mileage	1L5XX	

(B) For any billing period in which a Subject Service is not so multiplexed and connected as required by Section 33.165.5 (A), the Telephone Company will debit the Customer's invoice for an additional seventeen dollars ($17) for each such Subject Service.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.5 Rates and Charges (Cont'd)

(A) The fixed monthly charge includes average Variable Mileage, per Subject Service, for all Subject Services purchased under this Contract Offer, not to exceed four (4) miles. The Telephone Company will review the Variable Mileage associated with Subject Services no more frequently than twice during each period of twelve (12) consecutive months of the Term Period, beginning with the Subscription Date. If, upon such review, the Telephone Company determines that Variable Mileage for Subject Services exceeds an average of four (4) miles per Subject Service, the Telephone Company will bill the Customer for all Variable Mileage in excess of four (4) miles per Subject Service by applying the charges in Tariff Section 31, as applicable under a sixty (60) month term commitment plan.

(D) If the Telephone Company is unable to bill for Subject Services at the discounted rate as described in Section 33.165.5.(A), the Telephone Company will bill the Customer on a monthly basis the otherwise applicable tariff rates applicable to the TPP or month-to-month MRCs. Each calendar quarter, beginning with the first full calendar month (including and pro-rated credits from the Effective date to the first full calendar month) after the Effective Date, the Telephone Company will calculate and issue to the Customer a credit equal to the difference between the rates set forth in Section 33.165.5 and the rates initially billed. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.5 Rates and Charges (Cont'd)

(E) All non-recurring charges (excluding Expedite charges listed below) will be waived for Subject Services added to this Contract Offer. The waiver is not applicable to Special Construction charges, or to the Expedite Charges that may be applicable.

Charge Type	Description	USOC	Rate	Rate Regulation
Expedite	DS1 Expedited Service Interval (6 days)	EODXV	$525.00	5.2.2(C)
Expedite	DS1 Expedited Service Interval (5 days)	EODXT	$575.00	
Expedite	DS1 Expedited Service Interval (4 days)	EODXR	$625.00	
Expedite	DS1 Expedited Service Interval (3 days)	EODXP	$675.00	
Expedite	DS1 Expedited Service Interval (2 days)	EODWO	$1,500.00	
Expedite	DS1 Expedited Service Interval (1 days)	EODWN	$2,000.00	
Expedite	DS1 Expedited Service Interval (0 days)	EODWM	$2,500.00	

(F) Taxes and Surcharges. Rates and charges set forth in this Contract Offer are exclusive of, and the Customer will pay, all current and future taxes and fees (but excluding taxes or fees imposed on gross receipts of general commercial businesses, net income, corporate franchise, property/ad valorem, payroll/employment, capital stock or net worth tax and the right to do business, i.e., license taxes or fees) relating to the sale, transfer of ownership, installation, license, use or provision of the Subject Services, and other applicable governmentally-established surcharges and similar charges, which the Telephone Company is permitted by applicable law to pass through to the Customer, including, without limitation, Universal Service Fund surcharges (and any associated interest and penalties resulting from the Customer's failure to timely pay such taxes or similar charges), except to the extent the Customer submits and maintains a reasonably acceptable to the Telephone Company exemption certificate covering all of the Subject Services and/or provides satisfactory proof of a valid tax exemption for the Subject Services. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.6 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or
(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.165.6 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.165 Contract Offer No. 165–Special Access Wireless DS1 Service Offer (Cont'd)

33.165.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, and Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

33.165.8 De-Tariffing of Subject Services

If, at any time during the Term Period, the Subject Services available under this Contract Offer are voluntarily or involuntarily de-tariffed by the Telephone Company, in whole or in part, pursuant to a statutory change, order or requirement of a governmental or judicial authority of competent jurisdiction, the rates, and Terms and Conditions for Subject Services provided under this Contract Offer will remain in full force and effect for the remainder of the unexpired Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer

33.166.1 General Description

This Special Access Service Offer (Contract Offer No. 166) provides for discounted rates and associated terms and conditions for Subject Services, as described in Section 33.166.2, below. To receive discounts under this Contract Offer, the Customer must meet the Eligibility Criteria described in Section 33.166.3, and must comply with all terms and conditions of this Contract Offer and any other applicable provisions of this Tariff No. 1. Contract Offer No. 166 will be available for subscription only from April 2, 2014 through May 2, 2014. This offer is not renewable.

33.166.2 Subject Services

The rates, terms and conditions of this Contract Offer apply to pricing-flexibility-qualified access services or rate elements contained in the following tariff sections:

Special Access Service	**General Basic Description**	**Rates & Charges Phase II**
DS1 and DS3 Services	7.2.9	31.5.2.7

Subject Services must be located in the Pricing Flexibility MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in Pacific Bell Tariff F.C.C. No. 1, Section 31 or the following areas in which the Telephone Company has received pricing flexibility relief: Non-MSA, CA; Modesto, CA; and Bakersfield, CA.

During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs, the Customer may, at its option, include Subject Services in those MSAs in this Contract Offer. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 166:

(1) During the six (6) months prior to the Subscription Date of this Contract Offer, at least seventy-five percent (75%) of the interstate DS3 special access services ordered by the Customer from the Telephone Company must have been ordered pursuant to a five (5) year term commitment, and at least seventy-five percent (75%) of the interstate DS1 special access services ordered by the Customer from the Telephone Company must have been ordered pursuant to a seven (7)year term commitment. As used in this subsection, the date upon which a service is "ordered" shall be determined according to the "Service Establish Date" (SED) for each circuit.

(2)As of the Subscription Date of this Contract Offer, the Customer must have a minimum of 30,000 interstate special access DS1 circuits in service.

(3)During the twelve (12) months prior to the Subscription Date of this Contract Offer, the Customer must have purchased interstate special access services from the Telephone Company for which aggregate recurring charges over that period were no less than eighty million dollars ($80,000,000). Such interstate revenue will be measured according to billed recurring revenue, after application of any discounts or credits applicable to that recurring revenue, other than any DS1 Plan Credits that may be issued pursuant to this Contract Offer, plus any adjustments for overbilling, under-billing and billing dispute settlements (Recurring Access Revenue).

(4)As of the Subscription Date of this Contract Offer, the Customer must be purchasing service pursuant to the DS1 Term Payment Plan (DS1 TPP) with a DS1 High Capacity Service Portability Commitment.

(5) As of the Subscription Date of this Contract Offer, the Customer must have an Access Service Ratio, as defined in Section 33.166.7, below, of ninety-two percent (92%) or greater. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 166:

(A) Subscription
To subscribe to Contract Offer No. 166, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The Customer must provide, at the time of subscription, all applicable and qualifying Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer No. 166 for itself and any of its affiliates that may purchase service pursuant to this Contract Offer (hereafter referred to as "Eligible ACNAs"). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 166.

(B) Term Period
The Contract Offer (Term Period) is thirty-six (36) months, subject to two (2) one (1) year extensions, which may be initiated at the Customer's option. The Term Period will begin on the date the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer (Subscription Date). If the Customer wishes to initiate an extension, the Customer must inform the Telephone Company to that effect, in writing, no later than ninety (90) days prior to the end of the then-effective Term Period. Each twelve (12) month period of the Term Period, beginning from the Subscription Date, shall be referred to as a Term Year. Upon expiration of the Term Period or any extensions, Subject Services will be provided at the prevailing month-to-month rates as provided in PBTC F.C.C. Tariff No. 1, Section 7 or 31, or, if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate. Notwithstanding anything to the contrary in this Section 33.166.4(B), all Service Terms are subject to termination pursuant to Section 33.166.4(F), below. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.4 Terms and Conditions (Cont'd)

(C) Service Term
New Subject Services must be ordered and purchased subject to either: (i) a five (5) year term for DS3, or (ii) a seven (7) year term for DS1 (Service Term) as described in Section 33.166.5, below. Services existing prior to the Subscription Date under an ACNA submitted pursuant to Section 33.166.4(A) may be converted to this Contract Offer, at Customer's request. The Customer shall order new circuits, or convert existing circuits, by submitting an ASR to the Telephone Company, including the PNUM of this Contract Offer. Upon expiration of the Service Term, or upon termination of the term plan as described in Section 33.166.4(F), below, Subject Services will be provided at the prevailing month-to-month rates as provided in Pacific Bell Tariff F.C.C. No. 1, Section 7 or 31, or, if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate. Notwithstanding anything to the contrary in this Section 33.166.4(C), all Service Terms are subject to termination pursuant to Section 33.166.4(F), below.

(D) Except as otherwise provided in this Contract Offer, Subject Services are subject to the applicable rates, charges and general terms and conditions in other sections of PBTC F.C.C. Tariff No. 1 (e.g., Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 166.

(E) Commingling of Subject Services, as commingling is defined in PBTC Tariff F.C.C. No. 1, Section 2.6, is not permitted. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.4 Terms and Conditions (Cont'd)

(F) Termination of Service Terms

During the Term Period, upon no less than three (3) months' notice to the Customer, the Telephone Company may stop accepting orders for, or otherwise placing Subject Services under, five (5) year and seven (7) year Service Terms, including new, renewed, converted, or other Subject Services. The date on which the Telephone Company may stop accepting orders for, or otherwise placing service under, five (5) year and seven (7) year Service Terms will not be sooner than January 1, 2018, and may be implemented on a geographically or otherwise limited basis (e.g., by wire center). For any in-service circuit subject to a Service Term that extends beyond January 1, 2018, the Customer may keep the circuit in place subject to that Service Term until the earliest of: (i) the end of its Service Term, (ii) the time at which the Telephone Company or any of its affiliates can provide a replacement service to the location served by such circuit, or (iii) January 1, 2019.

(G) Grandfathering or Sunsetting of Subject Services
Nothing in this Contract Offer shall prevent the Telephone Company from limiting or precluding new purchases or reconfigurations of Subject Services, or from terminating the provision of Subject Services entirely, prior to the end of the Term Period, to the extent permitted by applicable law.

(H) If the Customer subscribed to Contract Offers No. 112 and/or 113 prior to the Subscription Date of this Contract Offer, services purchased under Contract Offers 112 and/or 113 may be converted to this Contract Offer without termination liability. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.4 Terms and Conditions (Cont'd)

(I) Conversion to Ethernet[1]
Between the Subscription Date and the third anniversary of the Subscription Date, the Customer and the Telephone Company will cooperate in good faith to achieve the following non-binding objectives: (i) to reduce the number of all DS1 and DS3 special access services (circuits) being purchased by the Customer from the Telephone Company by no less than twenty percent (20%), as compared to the number of such services (circuits) in service on the Subscription Date; and (ii) to replace DS1 and DS3 special access services with AT&T Switched Ethernet Service, such that the Recurring Access Revenue attributable to AT&T Switched Ethernet Service purchased by the Customer from the Telephone Company increases by an amount equal to, or greater than, the amount by which Recurring Access Revenue attributable to DS1 and DS3 special access services purchased from the Telephone Company declined over the same period. For purposes of clause (ii), above, Recurring Access Revenue will be determined based on revenue billed for the most recent month prior to the Subscription Date and the third anniversary of the Subscription Date, respectively. The Customer and the Telephone Company acknowledge that, during the Term Period, AT&T Switched Ethernet Service may not be available at all locations at which DS1 and DS3 services are available, or are being provided to the Customer. The Customer will act and cooperate in good faith to order, and the Telephone Company will act and cooperate in good faith to provide, AT&T Switched Ethernet Service at locations and with desired due dates for service, in a manner consistent with this Section 33.166.4(I).

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.4 Terms and Conditions (Cont'd)

(J) Any termination liability charges that would otherwise apply to DS3 Subject Services as a result of their conversion to AT&T Switched Ethernet Service[1] will be waived, or credits will be issued to offset such termination liability charges, if all of the following conditions are met:

1) Any disconnected DS3 Subject Service must be replaced by AT&T Switched Ethernet Service[1] (Replacement Service) provided to the same Customer-designated location, which may include Customer collocation;

2) Replacement Service must be ordered within thirty (30) days after the associated DS3 Subject Service is disconnected with a Customer Desired Due Date of no more than one hundred and twenty (120) days after the disconnect order for the DS3 Subject Service has been issued;

3) The total Committed Information Rate of the Customer Port Connection(s) of the Replacement Service must be no less than the total bandwidth of all DS3 Subject Services disconnected at the same Customer location;

4) Any DS3 Subject Services ordered after the Subscription Date of this Contract Offer must be in service for a minimum of twelve (12) months prior to their disconnection; and

5) The Customer must be in material compliance with all terms and conditions of this Contract Offer or any other applicable tariff provisions, including, without limitation, timely payment of all billed amounts other than those properly disputed.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.5 Rates and Charges

(A) Monthly Recurring Charges The rates and charges set forth in Tables A and B, below, shall apply to Subject Services. The Telephone Company and the Customer acknowledge that, if AT&T withdraws its five (5) and/or seven (7) year term commitment plans from this PBTC F.C.C. Tariff No. 1, certain billing system changes may require that the Telephone Company initially bill the Customer according to shorter-term or month-to-month rates, then subsequently issue credits to the Customer to adjust such billing to the rates in Tables A and B.

Table A:

DS1 Special Access Services Rate Element	**USOC**	**7-Year Monthly Recurring Charge**
Channel termination - Per Point of Termination - Zone 1	TMECS	$97.50
Channel termination - Per Point of Termination - Zone 2	TMECS	$107.50
Channel termination - Per Point of Termination - Zone 3	TMECS	$117.50
Channel Mileage - Fixed - Zone 1	1L5166	$32.50
Channel Mileage - Fixed - Zone 2	1L5166	$35.00
Channel Mileage - Fixed - Zone 3	1L5166	$37.50
Channel Mileage - Per Mile - Zone 1	1L5166	$8.25
Channel Mileage - Per Mile - Zone 2	1L5166	$8.75
Channel Mileage - Per Mile - Zone 3	1L5166	$9.00
Central Office Multiplexing DS1 to DS0 - Per Arrangement - Zone 1	MQ1, MQ2, QMU	$150.00
Central Office Multiplexing DS1 to DS0 - Per Arrangement - Zone 2	MQ1, MQ2, QMU	$155.00
Central Office Multiplexing DS1 to DS0 - Per Arrangement - Zone 3	MQ1, MQ2, QMU	$160.00

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.5 Rates and Charges (Cont'd)

(A) Monthly Recurring Charges (Cont'd)

Table B:

DS3 Rate Elements	**USOC**	**5-Year Monthly Recurring Charge**
Channel Termination - Per Point of Termination - Zone 1	Z3MAC/Z3MAP	$970.00
Channel Termination - Per Point of Termination - Zone 2	Z3MAC/Z3MAP	$990.00
Channel Termination - Per Point of Termination - Zone 3	Z3MAC/Z3MAP	$1,010.00
Channel Mileage - Fixed - Zone 1	1L5166	$368.00
Channel Mileage - Fixed - Zone 2	1L5166	$377.20
Channel Mileage - Fixed - Zone 3	1L5166	$400.20
Channel Mileage - Variable - Zone 1	1L5166	$16.10
Channel Mileage - Variable - Zone 2	1L5166	$18.40
Channel Mileage - Variable - Zone 3	1L5166	$20.70
Multiplexing - Zone 1	MQ3	$253.00
Multiplexing - Zone 2	MQ3	$262.00
Multiplexing - Zone 3	MQ3	$271.40

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.5 Rates and Charges (Cont'd)

(A) DS1 and DS3 Ethernet Conversion Credits

The Customer will be eligible for DS1 Ethernet Conversion Credits and/or DS3 Ethernet Conversion Credits if, by the third anniversary of the Subscription Date: (i) the Customer reduces the number of both DS1 and DS3 interstate special access services (circuits) in service with the Telephone Company by twenty percent (20%) or more, as compared to the number of such DS1 and DS3 services (circuits) in service on the Subscription Date; (ii) the Customer reduces the number of either DS1 or DS3 interstate special access services (circuits), or both, in service with the Telephone Company, by thirty percent (30%) or more, as compared to the number of such DS1 or DS3 services in service on the Subscription Date; and (iii) Recurring Access Revenue attributable to AT&T Switched Ethernet Service[1] purchased by the Customer from the Telephone Company increases by an amount equal to, or greater than, the amount by which Recurring Access Revenue for both DS1 and DS3 services (combined) declines over the same period. For purposes of clause (iii), above, Recurring Access Revenue will be determined based on revenue billed for the most recent month prior to the Subscription Date and the third anniversary of the Subscription Date, respectively.

Credits will be calculated as of the third anniversary of the Subscription Date and will be equal to one percent (1%) of all Recurring Access Revenue attributable to DS1 interstate special access services (with respect to DS1 Ethernet Conversion Credits) or DS3 interstate special access services (with respect to DS3 Ethernet Conversion Credits) for each whole ten percent (10%) increment, in excess of twenty percent (20%), by which the number of such DS1 interstate special access services (circuits) and/or DS3 interstate special access services (circuits) have decreased since the Subscription Date. As clarification, DS1 Ethernet Conversion Credits and DS3 Ethernet Conversion credits will be determined and calculated separately with respect to DS1 interstate special access services (circuits) and DS3 interstate special access services (circuits), respectively. The Customer acknowledges that, during the Term Period, AT&T Switched Ethernet Service[1] may not be available at all locations at which DS1 and DS3 services are available or are being provided to the Customer. The Customer will act and cooperate in good faith to order, and the Telephone Company will act and cooperate in good faith to provide, AT&T Switched Ethernet Service[1] at locations and with desired due dates for service, in a manner consistent with this Section 33.166.5(B).

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company.

Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.5 Rates and Charges (Cont'd)

(A) DS1 and DS3 Ethernet Conversion Credits (Cont'd)

Example: On the Subscription Date, the Customer is purchasing 35,000 DS1 circuits with Recurring Access Revenue of $5,600,000 per month, and 5,000 DS3 circuits with Recurring Access Revenue of $7,500,000 per month. (Total DS1 and DS3 Recurring Access Revenue is $13,100,000 per month.) On the third anniversary of the Subscription Date, the Customer has reduced the number of DS1 circuits by 21% (to 27,650 circuits, with Recurring Access Revenue of $4,424,000 per month) and the number of DS3 circuits by 35% (to 3,250 circuits, with Recurring Access Revenue of $4,875,000 per month). The remaining DS1 and DS3 circuits, combined, produce $9,299,000 per month in Recurring Access Revenue. During the same period, the Customer has purchased new AT&T Switched Ethernet Service[1] from the Telephone Company for which Recurring Access Revenue is $5,000,000 per month. The Customer has earned a DS3 Ethernet Conversion Credit (only), the amount of which will be determined as follows:

Condition (i): 21% > 20% (DS1)—condition satisfied.

35% > 20% (DS3)—condition satisfied.

Condition (ii): 21% < 30% (DS1)—condition not satisfied.

35% > 30% (DS3)—condition satisfied for 1% credit.

Condition (iii): $13,100,000 - $9,299,000 = $3,801,000. $5,000,000 > $3,801,000—condition satisfied.

DS3 Ethernet Conversion Credit: $4,875,000 x .01 = $48,750. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.6 Access Service Ratio

The Customer (including any of its affiliates included in this Contract Offer) must maintain an Access Service Ratio of ninety-two percent (92%) or greater. The Access Service Ratio shall be calculated quarterly, based on data for the most recent month for which information is available at the time of the calculation. The Telephone Company will calculate the Customer's Access Service Ratio as of the Subscription Date and for each Quarter thereafter, as follows:

Access Service Ratio = Access Revenue / (Access Revenue + Wholesale Revenue)

The Access Service Ratio must be greater than, or equal to, 92% as of the Subscription Date of this Agreement and throughout the Term of the Agreement. If during the Term Period, AT&T offers additional ILEC access services or UNEs, such additional ILEC access services or UNEs shall also be included in the calculation of the Access Service Ratio. Recurring revenue, for purposes of calculating the Access Service Ratio, will be measured according to gross billed recurring revenue, after application of any discounts or credits applicable to that recurring revenue, plus any adjustments for overbilling, under-billing and billing dispute settlements. The calculation of recurring revenue will not include any DS1 Plan Credits issued pursuant to this Contract Offer.

If, upon the initial review or any quarterly review of the Customer's compliance with the Access Service Ratio, the Telephone Company determines that the Customer has not complied with the Access Service Ratio, the Telephone Company will so notify the Customer in writing. The Customer will have sixty (60) days after such notice to cure its noncompliance with the Access Service Ratio.

"Access Revenue" means the Telephone Company's interstate recurring revenue from Customer and its affiliates associated with the services defined in Table C, below: (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.6 Access Service Ratio (Cont'd)

Table C:[1]

Service Type	Service
Interstate Special Access	OCN (Optical Carrier Network) PTP
	Dedicated SONET Ring Service (DSRS)
	SONET Ring and Access Service (SRAS)
	GigaMAN (Gigabit Ethernet Metropolitan Area Network)
	Multi-Service Optical Network (MON)Ring Service
	OpteMAN (Optical Ethernet Metropolitan Area Network)
	DecaMAN (10 Gigabit Ethernet Metropolitan Area Network)
	AT&T Switched Ethernet Service (ASE)
	WaveMAN (Wavelength Metropolitan Area Network)
	Serial Component Video Service (SCVS)
	High Definition Video Transport (HDVT)
	AVS 270 Video Service
	Voice Grade
	DS0
	DS1
	DS3
	Switched Access Transport
	Switched Access Transport
	Switched Access Transport
	Switched Access Transport
	Switched Access Transport
	Switched Access Transport

"Wholesale Revenue" means the Telephone Company's recurring revenue from Customer and its affiliates for unbundled network elements and associated rate elements, as defined in Table D, below.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

ACCESS SERVOCE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.6 Access Service Ratio (Cont'd)

Table D[1]

Service Type-- Unbundled Network Elements and Associated Services or Rate Elements	**Service or Network Element**
DS1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OCn	OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service
Other	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.7 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC F.C.C. Tariff No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in PBTC F.C.C. Tariff No. 1, Section 2.1.2 , are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade,

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or
(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.166.7 is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.7 Assignment/Transfer/Successors (Cont'd)

(A) Notwithstanding anything to the contrary in this Section 33.166.7, the Customer may, upon written notice to the Telephone Company, assign in whole, or relevant part, its rights and obligations under this Agreement to an affiliate of the Customer, but the Customer will remain financially responsible for the performance of such obligations. For purposes of this Section 33.166.7, "affiliate" will be defined as provided in 47 U.S.C. Section 153(1), or a successor to that provision.

33.166.8 Mergers/Acquisitions and Sales/Divestitures

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole, or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, will continue to be provided at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.166 Contract Offer No. 166–Special Access Service Offer (Cont'd)

33.166.9 Service Term Termination Liability Charge

Termination liability, as described below, applies in lieu of termination liability as described in PBTC F.C.C. Tariff No. 1. Except as provided to the contrary by the DS1 TPP (if applicable), or Section 33.166.4(J), if the Customer terminates Subject Services under this Contract Offer before the completion of the applicable Service Term during the Term Period for any reason other than material breach by the Telephone Company, the Customer must pay the Telephone Company termination charges as described in this Section. These charges shall become due as of the effective date of the termination of service. The Customer must provide written notification to the Telephone Company thirty (30) days prior to the desired date of termination of the Subject Services pursuant to this Contract Offer.

If the Customer terminates a Subject Service before the completion of the Service Term and during the Term Period, the Customer's termination liability charge for termination of service shall be equal to fifty percent (50%) of the applicable monthly charges for the remainder of the Service Term.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in term) multiplied by (termination liability percentage of 50%).

If the Telephone Company terminates any Service Terms, as permitted by section 33.166.4(F) (Action), and the Customer has previously incurred termination liability with respect to a Subject Service that (if Service had not been terminated by the Customer) would have been affected by the Action, the Telephone Company shall recalculate the termination liability for each such terminated Subject Service as if the Service Term for that Subject Service had ended on the effective date of the Action, and shall credit the Customer's account for the difference between the termination liability originally paid for the terminated Subject Service and the liability as recalculated. (N)

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33. Pricing Flexibility Contract Offerings (N)

33.167 Contract Offer No. 167 – Access Service Offer

33.167.1 General Description (N)

The Special Access Service Offer (Contract Offer No. 167) is a Minimum Annual Spend attainment plan for which concurrent subscription is required to this Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 31 and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 187; (collectively, with this Contract Offer No. 33.167, referred to as the "Concurrently Subscribed Contract Offers". NBTC and SWBT, together with the Telephone Company, shall be identified herein as the "Qualified Companies." (Nx)

The Concurrently Subscribed Contract Offers allow the Customer to qualify for certain credits based on its attainment of a "Minimum Annual Spend" or "MAS," as described in Section 33.167.5, below. The MAS consists of certain recurring revenue from "Contributory Services," as defined in Section 33.167.2, below, that the Customer purchases from the Qualified Companies. (N)

Contract Offer No. 167 will be available for subscription only from May 17, 2014 through June 17, 2014. This Contract Offer is not renewable.

33.167.2 Subject and Non-Subject Services

Subject Services and Non-Subject Services will together be referred to in this Contract Offer as "Contributory Services." "Contributory Revenue" (as defined in Section 33.167.5, below) for all Contributory Services will be included for the purposes of determining the amount of the MAS and the Customer's attainment of the MAS. (N)

(x) Issued under Authority of Special Permission No. 14-005 of F.C.C. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.2 Subject and Non-Subject Services (Cont'd)

(A) Subject Services

(1) Subject Services are pricing flexibility qualified access services and associated rate elements, as identified in Table A, below.

Table A – Subject Services

Category	Services Included
Interstate Special Access Located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	Voice Grade (VG), DS0, DS1 and DS3, except for any rate elements not subject to pricing flexibility

(2) Subject Services must be located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31, and those additional MSA's listed below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer.

Additional MSAs: Bakersfield, CA; Modesto, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.2 Subject and Non-Subject Services (Cont'd)

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below.

TABLE B- **Non-Subject Services** will be included in calculations related to the "Minimum Annual Spend," as defined in Section 33.167.1, but are not otherwise subject to this Contract Offer.

Category	Service[1]
Interstate Special Access Services	Optical Carrier Network (OCN) Point-to-Point Service, Dedicated SONET Ring Service (DSRS), Gigabit Ethernet Metropolitan Access Network (GigaMAN®) Service, Multi-service Optical Network (MON) Ring Service, Optical Ethernet Metropolitan Area Network (OPT-E-MAN®), DecaMAN®, and Wavelength Metropolitan Area Network (WaveMAN℠), AT&T Switched Ethernet℠ (ASE), and Video Services (SCVS, AVS270, High Def, MMC)
Intrastate Special Access and/or Equivalent Non-Switched Exchange Services (Excluding Private Line Services)	Voice Grade (VG), DS0, DS1, DS3, Optical Carrier Network (OCN) Point to Point Service, Dedicated SONET Ring Service (DSRS), Gigabit Ethernet Metropolitan Access Network (GigaMAN®) Service, Multi-service Optical Network (MON) Ring Service, Optical Ethernet Metropolitan Area Network (OPT-E-MAN®), DecaMAN®, and Wavelength Metropolitan Area Network (WaveMAN℠), AT&T Switched Ethernet (ASE) ℠
Interstate Switched Access	Dedicated Switched Transport (excluding such service provided by BellSouth Telecommunications, LLC)
AT&T Mobility	Corporate Responsibility Users (CRU)
AT&T Corp.	AT&T Network Connection Service (ANC) and AT&T Voice Over IP Connect Service (AVOICS) Domestic Long Distance Private Line (DS1, DS3, OCN, EPLS WAN) Local Private Line Service Data Center Collocation

[1] Interstate OCN PTP, DSRS, MON, GigaMAN,® DecaMAN,® Opt-E-MAN®, AT&T Switched Ethernet, Serial Component Video (SCVS) and High Definition Video Transport (HDVT) services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.2 Subject and Non-Subject Services (Cont'd)

(C) All terms and conditions for those Subject Services and Non-Subject Services that are tariffed are governed by their respective tariff sections, except as noted in this Contract Offer with respect to Subject Services. All terms and conditions for those Non-Subject Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

(D) Subject Services and Non-Subject Services shall also include any similar or successor services which are provided by the Qualified Companies and which were not available as of the effective date of this Contract Offer.

33.167.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer:

(A) The Customer must have a minimum of 30,000 interstate special access DS1 circuits in service with the Qualified Companies, as of the effective date of this Contract Offer.

(B) The Customer must have purchased interstate special access services from the Qualified Companies for which aggregate monthly recurring charges were not less than $90,000,000 (net of any applicable discounts and credits) for the twelve (12) month period immediately prior to the effective date of this Contract Offer.

(C) The Customer may not be a party to any other broadband agreement or pricing flexibility contract tariff that contains any revenue or volume commitment or attainment level, as of the effective date of the Contract Offer (Commitment Agreement), unless the Commitment Agreement expressly allows the Customer to participate in both the Commitment Agreement and the Concurrently Subscribed Contract Offers. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.3 Eligibility Criteria (Cont'd)

(A) As of the Subscription Date of this Contract Offer, the Customer must have an Access Service Ratio, as defined in Section 33.167.7, below, of ninety-two percent (92%) or greater. (N)

(E) The Customer must concurrently subscribe to the following Contract Offers: (Nx)

(1) PBTC Tariff F.C.C. No. 1, Contract Offer No. 167;
(2) NBTC Tariff F.C.C. No. 1, Contract Offer No. 31; and
(3) SWBT Tariff F.C.C. No. 73, Contract Offer No. 187. (Nx)

33.167.4 General Terms and Conditions (N)

The following General Terms and Conditions apply to this Contract Offer No. 167:

(A) Subscription
To subscribe to Contract Offer, the Customer must submit Letters of Subscription (LOS) to the Qualified Companies. The Customer must provide, at the time of subscription, all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in the Concurrently Subscribed Contract Offers for itself and any of its "Affiliates" that may purchase service pursuant to the Concurrently Subscribed Contract Offers (hereafter referred to as "Eligible ACNAs"). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, the Concurrently Subscribed Contract Offers, unless otherwise agreed in writing by the parties. (N)

(x) Issued under Authority of Special Permission No. 14-005 of F.C.C. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.4 General Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer (Term Period) will begin on the first day of the first calendar month following the date the Qualified Companies receive signed Letters of Subscription (LOS) from the Customer (that date to be referred to as the "Subscription Date"), and will continue for thirty-six (36) months, subject to two (2) one (1) year extensions, which may be initiated at the Customer's option. If the Customer wishes to initiate an extension, the Customer must inform the Qualified Companies to that effect, in writing, no later than ninety (90) days prior to the expiration of the then-effective Term Period. Each twelve (12) month period of the Term Period, beginning from the Subscription Date, shall be referred to as a Term Year. Upon expiration of the Term Period or any extensions, Subject Services will be provided at the prevailing month-to-month rates as provided in Pacific Bell Tariff F.C.C. No. 1, Section 7 or 31, or if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate. Notwithstanding anything to the contrary in this Section 33.167.4(B), all Service Terms are subject to termination pursuant to Section 33.167.4(E), below.

(C) Commingling of Subject Services, as commingling is defined in PBTC Tariff F.C.C. No. 1, Section 2.6, is not permitted.

(D) Grandfathering or Sunsetting of Subject Services
Nothing in this Contract Offer shall prevent the Qualified Companies from limiting or precluding new purchases or reconfigurations of Subject Services, or from terminating the provision of Subject Services entirely, prior to the end of the Term Period, to the extent permitted by applicable law. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.4 General Terms and Conditions (Cont'd)

(E) Any termination liability charges that would otherwise apply to any DS3 Subject Service as a result of their conversion to AT&T Switched Ethernet Service[1] will be waived, or credits will be issued to offset one hundred percent (100%) of such termination liability charges, if and to the extent all of the following conditions are met for the relevant DS3 Subject Service(s):

(1) Any disconnected DS3 Subject Service(s) must be replaced by AT&T Switched Ethernet Service[1] with a Customer Port Connection at the same Customer location or Customer-designated location as the disconnected DS3 Subject Service(s), which may include Customer collocation (such AT&T Switched Ethernet Service[1] to be referred to as a "Replacement Service");

(2) The Replacement Service must be ordered no later than thirty (30) days after any associated DS3 Subject Services are disconnected, and the order(s) for the Replacement Service must have a Customer Desired Due Date of no more than one hundred and twenty (120) days after the disconnect order for any DS3 Subject Service(s) have been issued;

(3) The total Committed Information Rate of the Customer Port Connection(s) of the Replacement Service must be no less than the total bandwidth of all DS3 Subject Services disconnected at the same Customer location or Customer-designated location;

(4) Any DS3 Subject Service ordered after the Subscription Date must be in service for a minimum of twelve (12) months prior to their disconnection; and

(5) The Customer must be in material compliance with all terms and conditions of this Contract Offer and any other applicable tariff provisions, including without limitation timely payment of all billed amounts other than those properly disputed.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.5 Minimum Annual Spend

Credits under this Contract Offer are conditioned on the Customer's satisfaction of the MAS in each Term Year. Satisfaction of the MAS shall be determined according to "Contributory Revenue," which is defined as annual recurring revenue billed for service provided during the relevant Term Year, net of any applicable discounts, credits or adjustments issued as of the time of the applicable Annual True-up Process for, in the aggregate, Contributory Services as set forth in Section 33.167.2 of this Contract Offer, and the "Contributory Services" as set forth in the other Concurrently Subscribed Contract Offers provided, however, that any credits issued pursuant to the Concurrently Subscribed Contract Offers shall not be included in determining Contributory Revenue. For clarification, but not by way of limitation, Contributory Revenue shall exclude non-recurring charges, usage-based charges, taxes, surcharges, fees, temporary service charges, Unbundled Network Element (UNE) charges, charges for Switched Access Dedicated Transport, special construction, and cost recovery fees. Services included in the MAS will include both services ordered prior to the date upon which the Customer subscribes to the Contract Offer and services ordered during the Term Period.

The MAS will be equal to the greater of (i) eighty-five percent (85%) of the Customer's Contributory Revenue for the three (3) months prior to the Subscription Date, times four (4), or (ii) ninety million dollars ($90,000,000). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.6 Billing & Credits

(A) **Monthly Credits:** Subject to Sections 33.167.6(B) and (C), below, the Qualified Companies, in the aggregate, will issue a Monthly Credit (MC) to the Customer in the amounts provided for each Term Year in Table C, below. The Qualified Companies will apply the MC to the Customer's bill(s) for Subject Services, no later than sixty (60) days after the end of the month to which the MC is applicable.

Table C:

Term Year	**Monthly Credit (MC)**
1	$750,000
2	$500,000
3	$300,000
Each Optional Year	$200,000

(B) **Quarterly Review.** The Qualified Companies will review the Customer's Contributory Revenue for each "Quarter" (as defined herein) and will provide the results of each review to the Customer within sixty (60) days after the end of each Quarter of each Term Year ("Quarterly Review"). "Quarter" means a consecutive, non-overlapping 3-month period, with the first such period beginning with the start of the first Term Year. If the Customer's Contributory Revenue for any Quarter is not equal to or greater than (i) the Quarterly Credit Percentage (as defined below) times (ii) one quarter of the MAS, the Qualified Companies will bill the Customer for, and the Customer shall pay, an amount equal to all MCs issued for that Quarter ("Credit Recapture Amount"), and the Qualified Companies will not issue additional MC until the Customer pays any Credit Recapture Amount. The Quarterly Credit Percentage will be twenty-five percent (25%) for the first Quarter of any Term Year, fifty percent (50%) for the second Quarter of any Term Year and seventy-five (75%) percent for the third Quarter of any Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.6 Billing & Credits (Cont'd)

(C) **Annual Review.** The Qualified Companies will review the Customer's Contributory Revenue for each Term Year and will provide the results of each review to the Customer within sixty (60) days after the end of each Term Year ("Annual Review"). If the Customer's Contributory Revenue for any Term Year is not equal to or greater than the MAS, the Qualified Companies will bill the Customer for, and the Customer shall pay, an amount equal to all MCs issued for that Term Year, less any Credit Recapture Amount previously paid to the Qualified Companies for that Term Year. If the Customer's Contributory Revenue for any Term Year is equal to or greater than the MAS, the Qualified Companies will issue a "Final Credit" to the Customer equal to (i) twelve (12) times the MC applicable during that Term Year, (ii) minus any MCs previously issued for that Term Year, and (iii) plus any Credit Recapture Amounts paid by the Customer for that Term Year. The Qualified Companies will apply the Final Credit to the Customer's bill, if a Final Credit is applicable, no later than ninety (90) days after the end of the Term Year.

(D) **DS1 Plan Credits.** The Qualified Companies will issue credits, as described below, equal to any charges billed to the Customer by the Qualified Companies for failing to maintain the minimum "Commitment Level," as defined in the DS1 Term Payment Plan (DS1 TPP) with DS1 High Capacity Service Portability Commitment, Section 7.4.18(E), and equivalent portability plans offered by the other Qualified Companies (Portability Plans). Such charges will be referred to as "Plan Shortfall Charges". The Qualified Companies will bill the Plan Shortfall Charges as provided under the applicable tariff provisions. Thereafter, the Qualified Companies will issue credits in the amount of such charges billed to the Customer ("DS1 Plan Credits"). The Qualified Companies will calculate the amounts of any DS1 Plan Credits for each Quarter and will issue any DS1 Plan Credits within sixty (60) days after the end of the Quarter; provided however, that the Customer must satisfy the following conditions:: (i) the Customer's Contributory Revenue for the Quarter must be equal to or greater than one quarter of the MAS; and (ii) the amount of the Customer's Contributory Revenue attributable to AT&T Switched Ethernet Service[1] for the Quarter must be equal to or greater than the reduction in Contributory Revenue attributable to interstate special access DS1 service during the Quarter. The amount of any DS1 Plan Credit(s) issued for any Quarter shall not exceed the amount of any Plan Shortfall Charges billed to the Customer for that Quarter.

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.6 Billing & Credits (Cont'd)

(E) Notwithstanding anything to the contrary in this Contract Offer, any credits otherwise available under this Contract Offer will not be issued to the extent they duplicate any credits issued under any other tariff or agreement between the Customer and any or all of the Qualified Companies.

(F) Any credits issued under the Concurrently Subscribed Contract Offers shall be allocated between the Concurrently Subscribed Contract Offers in proportion to billing for Contributory Revenue during the relevant month. The credits will be applied to the Customer's bill no later than sixty (60) days after the period to which the credits apply.

(G) Credits shall not be issued if the Customer is in material breach of any of the Concurrently Subscribed Contract Offers, or in material breach of any other terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by the Customer.

33.167.7 Access Service Ratio

The Customer (including any of its Affiliates included in this Contract Offer) must maintain an Access Service Ratio of ninety-two percent (92%) or greater. The Access Service Ratio shall be calculated quarterly, based on data for the most recent month for which information is available at the time of the calculation. The Qualified Companies will calculate the Customer's Access Service Ratio as of the Subscription Date and for each Quarter thereafter, as follows:

Access Service Ratio = Access Revenue / (Access Revenue + Wholesale Revenue) (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.7 Access Service Ratio (Cont'd)

The Access Service Ratio must be greater than or equal to 92% as of the Subscription Date and as of this Agreement and throughout the Term of the Agreement. If during the Term Period, any of the Qualified Companies offers additional ILEC access services or UNEs, such additional ILEC access services or UNEs shall also be included in the calculation of the Access Service Ratio. Recurring revenue, for purposes of calculating the Access Service Ratio, will be measured according to gross billed recurring revenue, after application of any discounts or credits applicable to that recurring revenue, plus any adjustments for overbilling, under-billing and billing dispute settlements. The calculation of recurring revenue will not include any DS1 Plan Credits issued pursuant to this Contract Offer.

If, upon the initial review or any quarterly review of the Customer's compliance with the Access Service Ratio, the Qualified Companies determines that the Customer has not complied with the Access Service Ratio, the Qualified Companies will so notify the Customer in writing. The Customer will have sixty (60) days after such notice to cure its noncompliance with the Access Service Ratio.

"Access Revenue" means the Qualified Companies' interstate recurring revenue from the Customer and its "Affiliates" associated with the services defined in Table D, below. An "Affiliate" of a party to this Contract Offer means any entity that controls, is controlled by, or is under common control with, such party. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.7 Access Service Ratio (Cont'd)

Table D:

Service Type	**Service**[1]
Interstate Special Access	OCN (Optical Carrier Network) PTP
	Dedicated SONET Ring Service (DSRS)
	SONET Ring and Access Service (SRAS)
	GigaMAN (Gigabit Ethernet Metropolitan Area Network)
	Multi-Service Optical Network (MON)Ring Service
	OpteMAN (Optical Ethernet Metropolitan Area Network)
	DecaMAN (10 Gigabit Ethernet Metropolitan Area Network)
	AT&T Switched Ethernet Service (ASE)
	WaveMAN (Wavelength Metropolitan Area Network)
	Serial Component Video Service (SCVS)
	High Definition Video Transport (HDVT)
	AVS 270 Video Service
	Voice Grade
	DS0
	DS1
	DS3
	Switched Access Transport

[1] Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. FCC 07-180, released October 12, 2007, such services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with specifically de-tariffed services are available at www.att.com/guidebook (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.7 Access Service Ratio (Cont'd)

"Wholesale Revenue" means the Qualified Companies' recurring revenue from the Customer and its Affiliates for unbundled network elements and associated rate elements, as defined in Table E, below.

Table E:

Service Type-- Unbundled Network Elements and Associated Services or Rate Elements	**Service or Network Element**[1]
DS1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OCN	OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service
Other	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport

[1] Interstate OCN PTP, and Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC, F.C.C. Tariff No. 1, Section 2.1.2, the Qualified Companies will acknowledge such transfer or assignment if the criteria in PBTC, F.C.C. Tariff No. 1 Section 2.1.2 , are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade,

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or
(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 33.167.8 is not available, the Qualified Companies shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

(D) Notwithstanding anything to the contrary in this Section 33.167.8, the Customer may, upon written notice to the Qualified Companies, assign in whole or relevant part its rights and obligations under this Agreement to an Affiliate of the Customer, but the Customer will remain financially responsible for the performance of such obligations. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.167 Contract Offer No. 167 – Access Service Offer (Cont'd)

33.167.9 Mergers/Acquisitions and Sales/Divestitures

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Qualified Companies, the Subject Services, as provided for in this Contract Offer, will continue to be provided at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

33. Pricing Flexibility Contract Offerings (N)

33.168 Contract Offer No. 168 – DS1 and DS3 Service Offer (N)

33.168.1 General Description (N)

The Special Access Service Offer (Contract Offer No. 168, or Contract Offer) is a Service Level Agreement offer for which concurrent subscription is required to this Contract Offer and the following Access Tariffs: Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 188; BellSouth Telecommunications, LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 83; Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 32; and Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 218 (collectively, with this Contract Offer No. 168, the "Concurrently Subscribed Contract Offers"). Ameritech, BellSouth, NBTC, SWBT and the Telephone Company may be identified as the "Qualified Companies." (Nx)

This Contract Offer permits Customers that meet the Eligibility Criteria in Section 33.168.3 and otherwise comply with the terms and conditions of this Contract Offer to receive credits as provided in Section 33.168.5, below. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSA) listed in Section 33.168.2(B). (N)

This Contract Offer is available for subscription from October 18, 2014 through November 18, 2014. This Contract Offer is not renewable.

33.168.2 Subject Services

(A) This Contract Offer applies to pricing flexibility qualified services contained in the following tariff section: Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Sections 7 and 31 - DS1 High Capacity Service and DS3 High Capacity Service (Subject Services).

(B) Subject Services must be located in the Pricing Flexibility MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and in the Pricing Flexibility Phase I MSAs listed in Table A, below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services eligible for the discounts under this Contract Offer No. 168. Pricing Flexibility Phase I MSAs are listed below:

x – Issued under the Authority of Special Permission No. 14-013 of the F.C.C. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 – DS1 and DS3 Service Offer (Cont'd)

33.168.2 Subject Services

(B) (Cont'd)

Table A

State	City
CA	Non-MSA

33.168.3 Eligibility Criteria

To subscribe to Contract Offer No. 168, the Customer must meet the following eligibility criteria:

(A) During the twelve (12) months prior to the Customer's subscription to this Contract Offer, the Customer must have purchased Subject Services and other services from the Qualified Companies and any of their affiliates, in the aggregate, for which recurring charges exceeded $400,000,000.

(B) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have the following Subject Services in service:

(1) No fewer than twenty eight hundred (2,800) and no more than thirty two hundred (3,200) DS3 interstate special access circuits from the Qualified Companies.

(2) No fewer than forty four thousand hundred (44,000) and no more than forty eight thousand (48,000) DS1 special access circuits from the Qualified Companies.

33.168.4 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) shall begin on the date the Customer submits a signed Letter of Subscription (LOS) to the Telephone Company (Subscription Date) and expire on June 20, 2016. Each period of twelve (12) months, beginning from the Subscription Date, is referred to as a "Term Year." As clarification, but not to modify the foregoing sentence, the period from the second anniversary of the Subscription Date through June 20, 2016, shall not be considered a Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 – DS1 and DS3 Service Offer (Cont'd)

33.168.4 Terms and Conditions (Cont'd)

(B) General Terms and Conditions

(1) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1, Sections 2, 5, 7, 13 and 31, as applicable, (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. However, such tariff modifications will not change the Terms and Conditions described in Contract Offer No. 168.

(2) All terms and conditions for the Subject Services provided under this Contract Offer are governed by the otherwise applicable tariff sections, except as provided herein.

(3) To subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company, which must include a list of eligible Access Customer Name Abbreviations (ACNAs). All Subject Services under this Contract Offer must be purchased under such ACNAs. Subject Services ordered or purchased under other ACNAs may not be transferred to or converted for inclusion under this Contract Offer.

(4) Commingling (as defined in PBTC Tariff F.C.C. No. 1, Sections 2.6) of Subject Services provided pursuant to this Contract Offer No. 168 is prohibited. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 – DS1 and DS3 Service Offer (Cont'd)

33.168.5 Service Level Assurance

(A) Service Level Assurance (SLA). The Customer may be eligible for credits if certain Service Level Assurance (SLA) benchmarks are not achieved by the Qualified Companies, as provided below. SLA benchmark measurements will be calculated in the aggregate, for all DS1, DS3 and SONET[1] interstate special access services provided by the Qualified Companies during each Term Year (SLA Included Services). SLA benchmark measurements will be calculated according to the Qualified Companies generally applicable business rules and criteria associated with each of the SLA benchmark measurements. The SLA benchmarks will apply to SLA Included Services on a combined basis. SLAs will apply to the following service performance measurements:

(1) Mean Time to Repair (MTTR). "Mean Time to Repair" means the sum of the "Receipt to Restore Durations" of "Total Trouble Reports" divided by the number of Total Trouble Reports. "Total Trouble Reports" means all closed Customer trouble reports. "Receipt to Restore Duration" means the number of minutes (converted to hours) from the date and time each such trouble report is received by the Qualified Companies to the date and time each such trouble report is closed.

(2) On Time Delivery. "On Time Delivery" means the percentage of "A" (add) orders for which the Firm Order Confirmation (FOC) Committed Due Date (CDD) was met. This measurement excludes any orders for which a due date was not met due to Customer Not Ready (CNR) or other delays not caused by the Telephone Company.

(3) New Circuit Failure Rate. "New Circuit Failure Rate" means the percentage of total new circuits that are subject to trouble reports within thirty (30) calendar days after the date of installation.

[1] AT&T Interstate Access Guidebook Part 6 – Special Access Services Midwest Section 21.3. Optical Carrier Network (OCN) Point-to-Point, Dedicated SONET Ring Service (DSRS), GigaMAN®, DecaMAN®, WaveMAN℠ , OPT-E-MAN Service and AT&T Switched Ethernet Services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the

(N)

Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 – DS1 and DS3 Service Offer (Cont'd)

33.168.5 Service Level Assurance (Cont'd)

(A) (Cont'd)

(4) Repeat Reports within 30 Days. "Repeat Reports within 30 Days" means the percentage of closed trouble reports for any circuit that are received within thirty (30) calendar days after the restoral date of a prior closed trouble report for the same circuit.

(A) SLA Measurements and Benchmarks. If the Qualified Companies fail to achieve the benchmarks set forth in Table B, below, the Customer will be eligible for SLA Credits as provided in Section 33.168.5(C), below. These SLA Credits are subject to the same limitations and exclusions that apply to credit allowances for service interruptions, as provided in Section 2.4.4(C) of PBTC Tariff F.C.C. No. 1.

Table B SLA Measurements and Benchmarks

Measurement	Benchmark
MTTR	≤ 4.5 hours
On Time Delivery	95%
New Circuit Failure Rate	4.5%
Repeat Reports within 30 Days	14.5%

(C) SLA Credits. Within ninety (90) days after the end of each Term Year, the Qualified Companies will provide the Customer with a report of performance for the SLA benchmarks set forth in this Contract Offer. If the Qualified Companies fail to achieve the benchmarks, the Qualified Companies will issue SLA Credits to the Customer as set forth in Table C, below (SLA Credits). A single SLA Credit will apply per SLA benchmark, per Term Year, for the Qualified Companies in the aggregate. Any SLA Credits will be issued to the Customer within ninety (90) days after the end of each Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 - DS1 and DS3 Service Offer (Cont'd)

33.168.5 Service Level Assurance (Cont'd)

(C)(Cont'd)

Table C—SLA Performance Credits

Measurement	Credit if Benchmark Not Achieved Met
MTTR	$50,000
On Time Delivery	$50,000
New Circuit Failure Rate	$50,000
Repeat Reports within 30 Days	$50,000

For each SLA benchmark the Qualified Companies fail to achieve, the Qualified Companies will issue an SLA Credit of $50,000. A maximum of $200,000 in SLA Credits may apply for any Term Year.

33.168.6 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC Tariff F.C.C. No. 1, Section 2.1.2, the Qualified Companies will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. No. 1, Section 2.1.2 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty (50) percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade, (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 – DS1 and DS3 Service Offer (Cont'd)

33.168.6 Assignment/Transfer (Cont'd)

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsections (A) or (B) of this Section 33.168.6 is not available, the Qualified Companies shall exercise their reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

33.168.7 Mergers and Acquisitions

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Qualified Companies, the Subject Services, as provided for in this Contract Offer, will continue to be maintained at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.168 Contract Offer No. 168 - DS1 and DS3 Service Offer (Cont'd)

33.168.8 Divestiture of a Qualified Company

If all or substantially all of the stock or assets of any Qualified Company are transferred, directly or indirectly, to any entity that does not control, is not controlled by, or is not under common control with AT&T Inc. (any of which may be generally referred to as a sale), then effective upon the "Divestiture Date" of the transaction (as defined in this paragraph), Section 5 of each of the Concurrently Subscribed Contract Offers shall no longer apply to any Qualified Company subject to such a sale, and services provided by any Qualified Company subject to such a sale shall no longer be included in the determination of SLA measurements and benchmarks. Section 5 of each of the Concurrently Subscribed Contract Offers shall otherwise continue to apply according to its terms and conditions. "Divestiture Date" means the date that the relevant transaction is complete. (N)

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33. Pricing Flexibility Contract Offerings (N)

33.169 Contract Offer No. 169 - Access Service Offer (N)

33.169.1 General Description (N)

The Special Access Service Offer (Contract Offer No. 169) is a Minimum Annual Revenue Commitment attainment plan for which concurrent subscription is required to this Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 33, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 189; BellSouth Telecommunications LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 84; and Ameritech Operating Companies (Ameritech) Tariff F.C.C No. 2, Contract Offer No. 219 (collectively, with this Contract Offer No. 169, referred to as the "Concurrently Subscribed Contract Offers". Ameritech, BellSouth, NBTC and SWBT, together with the Telephone Company, shall be identified herein as the "Qualified Companies." (Nx)

The Concurrently Subscribed Contract Offers allow the Customer to qualify for certain credits based on its attainment of a "Minimum Annual Revenue Commitment" or "MARC," as described in Section 33.169.5, below. The MARC consists of certain recurring revenue from "Contributory Services," as defined in Section 33.169.2, below, that the Customer purchases from the Qualified Companies. (N)

Contract Offer No. 169 will be available for subscription only from October 29, 2014 through November 29, 2014. This Contract Offer is not renewable.

33.169.2 Subject and Non-Subject Services

"MARC-Eligible Services" under the Concurrently Subscribed Contract Offers are Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Telephone Company and located within the operating territories of the Qualified Companies, as well as "Subject Services" and "Non-Subject Services" as defined in the other Concurrently Subscribed Contract Offers.

x - Issued under the Authority of Special Permission No. 14-021 of the F.C.C. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 - Access Service Offer (Cont'd)

33.169.2 Subject and Non-Subject Services (Cont'd0

(A) Subject Services

(1) Subject Services are pricing flexibility-qualified access services and associated rate elements, as identified in Table A, below.

Table A - Subject Services

Category	Services Included
Interstate Special Access Located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	DS1 and DS3, except for any rate elements not subject to pricing flexibility

(2) Subject Services must be located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31, and those additional MSA's listed below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer.

Additional MSAs: Bakersfield, CA; Modesto, CA; Oxnard/Ventura, CA; Sacramento, CA; San Diego, CA; San Francisco/Oakland, CA; Santa Rosa, CA; and Stockton, CA.

(3) Subject Services ordered and purchased by the Customer prior to its subscription to this Contract Offer will be referred to as "Existing Subject Services."

Subject Services that were not being purchased from the Telephone Company prior to its subscription to this Contract Offer will be referred to as "New Subject Services." (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.2 Subject and Non-Subject Services (Cont'd0

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below.

TABLE B- Non-Subject Services will be included in calculations related to the "Minimum Annual Revenue Commitment," as defined in Section 33.169.1, but are not otherwise subject to this Contract Offer.

Category	Service[1]
Interstate Special Access Services	Optical Ethernet Metropolitan Area Network (OPT-E-MAN®), AT&T Switched Ethernet℠ Service
Intrastate Special Access and/or Equivalent Non-Switched Exchange Services (Excluding Private Line Services)	DS1, DS3, Optical Ethernet Metropolitan Area Network (OPT-E-MAN®), AT&T Switched Ethernet Service
AT&T Corp.	AT&T OPT-E-WAN®

(C) All terms and conditions for those Subject Services and Non-Subject Services that are tariffed are governed by their respective tariff sections, except as noted in this Contract Offer with respect to Subject Services. All terms and conditions for those Non-Subject Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

[1] Interstate Opt-E-MAN® and AT&T Switched Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 - Access Service Offer (Cont'd)

33.169.2 Subject and Non-Subject Services (Cont'd0

(D) Subject Services and Non-Subject Services shall also include any similar or successor services which are provided by the Qualified Companies and which were not available as of the effective date of this Contract Offer.

33.169.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer:

(A) The Customer must have a minimum of 6,773 interstate special access DS1 circuit and 914 interstate special access DS3 circuits in service with the Qualified Companies, as of the effective date of this Contract Offer.

(B) The Customer must have purchased interstate special access DS1 and DS3 services from the Qualified Companies for which aggregate monthly recurring charges were not less than $1,748,890 (net of any applicable discounts and credits) for the month immediately prior to the effective date of this Contract Offer.

(C) The Customer must have been purchasing a minimum of seventy-five percent (75%) of its DS1 and DS3 interstate special access circuits under either 5-year or 7-year term commitments, in aggregate, including purchases from all of the Qualified Companies, during the last six months prior to the Subscription Date of this Contract Offer (as defined in Section 33.169.4.B, below). DS1 and DS3 interstate special access circuits will be considered separately.

Example: If the Customer purchased more than seventy-five percent (75%) of its DS1 interstate special access circuits subject to 5-year term commitments, in the aggregate from all of the Qualified Companies, the Customer would be eligible to order and purchase DS1 Subject Services under this Contract Offer at five-year rates.

Example: If the Customer purchased more than seventy-five percent (75%) of its DS1 interstate special access circuits subject to 7-year term commitments, in the aggregate from all of the Qualified Companies, the Customer would be eligible to order and purchase DS1 Subject Services under this Contract Offer at seven-year rates. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd) (N)

33.169.3 Eligibility Criteria (Cont'd) (N)

(A) The Customer must concurrently subscribe to the following Contract Offers: (Nx)

(1) Ameritech Tariff F.C.C No. 2, Contract Offer No. 219;

(2) BellSouth Tariff F.C.C. No. 1, Contract Offer No. 84;

(3) NBTC Tariff F.C.C. No. 1, Contract Offer No. 33;

(4) PBTC Tariff F.C.C. No. 1, Contract Offer No. 169; and

(5) SWBT Tariff F.C.C. No. 73, Contract Offer No. 189; (Nx)

33.169.4 General Terms and Conditions (N)

The following General Terms and Conditions apply to this Contract Offer No. 169:

(A) Subscription

To subscribe to this Contract Offer, the Customer must submit Letters of Subscription (LOS) to the Qualified Companies. The Customer must provide, at the time of subscription, all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in the Concurrently Subscribed Contract Offers for itself and any of its "Affiliates" that may purchase service pursuant to the Concurrently Subscribed Contract Offers (hereafter referred to as "Eligible ACNAs").

Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, the Concurrently Subscribed Contract Offers, unless otherwise agreed in writing by the parties.

x – Issued under the Authority of Special Permission No. 14-021 of the F.C.C. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.4 General Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer (Term Period) will begin on the first day of the first calendar month following the date the Qualified Companies receive signed Letters of Subscription (LOS) from the Customer (that date to be referred to as the "Subscription Date"), and will continue for sixty (60) months. Each period of twelve (12) consecutive months during the Term Period, beginning from the Subscription Date, shall be referred to as a Term Year. Each period of three (3) consecutive months during the Term Period, beginning from the Subscription Date, shall be referred to as a Quarter. Upon expiration of the Term Period, Subject Services will be provided at the prevailing month-to-month rates as provided in PBTC Tariff F.C.C. No. 1, Sections 7 or 31, or if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate. Notwithstanding anything to the contrary in this Section 33.169.4(B), all Service Terms are subject to termination pursuant to Sections 33.169.4(F), and 33.169.4(G), below.

(C) Service Term

Subject Services must be ordered and purchased subject to the Term Period applicable to either DS1 or DS3 service, respectively, under this Contract Offer, as provided in Section 33.169.3(C) (in either case, referred to as the Service Term). Customer shall order any New Subject Services under this Contract Offer by submitting an ASR, including the PNUM of this Contract Offer, to the Telephone Company. Customer may convert any Existing Subject Services to this Contract Offer either: (1) by submitting one or more ASRs, including the PNUM of this Contract Offer, to the Telephone Company, or (2) by requesting a bulk conversion project to be coordinated by the Telephone Company. In either case, Existing Subject Services must begin a new service term upon conversion to this Contract Offer. Termination liability charges will not apply as a result of such conversion. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.4 General Terms and Conditions (Cont'd)

(C) Service Term (Cont'd)

Upon expiration of the Service Term or upon termination of the term plan as described in Section 33.169.4(G), below, Subject Services will be provided at the prevailing month-to-month rates as provided in PBTC Tariff F.C.C. No. 1, Sections 7 or 31, or if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate. Notwithstanding anything to the contrary in this Section 33.169.4(C), all Service Terms are subject to termination pursuant to Section 33.169.4(G), below.

(D) Commingling of Subject Services is defined in PBTC Tariff F.C.C. No. 1, Section 2.6. During the Term Period, the Customer may not at any time be obtaining from the Qualified Companies a greater number of Subject Services that are commingled with one or more unbundled network elements than the number of such Subject Services in place as of the Subscription Date.

(E) The Customer may not be a party to any agreement for de-tariffed interstate access services provided by any of the Qualified Companies ("Broadband Agreement") or any other pricing flexibility contract tariff, if the Broadband Agreement or pricing flexibility contract tariff contains any revenue or volume commitment or attainment level, as of the effective date of the Contract Offer (Commitment Agreement), unless the Commitment Agreement expressly allows the Customer to participate in both the Commitment Agreement and the Concurrently Subscribed Contract Offers.

(F) Grandfathering or Sunsetting of Subject Services

Nothing in this Contract Offer shall prevent the Qualified Companies from terminating the provision of Subject Services entirely, prior to the end of the Term Period, to the extent permitted by applicable law. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.4 General Terms and Conditions (Cont'd)

(G) Subject to paragraphs G(1) or G(2), if either becomes applicable, during the Term Period, upon no less than three (3) months' notice to the Customer, the Telephone Company may stop accepting orders for, or otherwise placing Subject Services under, five (5) year and seven (7) year service terms, including new, renewed, converted, or other Subject Services. The date on which the Telephone Company may stop accepting orders for, or otherwise placing service under, five (5) year and seven (7) year service terms will not be sooner than January 1, 2018, and may be implemented on a geographically or otherwise limited basis (e.g., by wire center). For any in-service circuit subject to a service term that extends beyond January 1, 2018, the Customer may keep the circuit in place subject to that service term; provided, however, that such service terms will be subject to termination by the Telephone Company until the earlier of: (i) the time at which the Telephone Company or any of its affiliates can provide a replacement service to the location served by such circuit, or (ii) January 1, 2019.

(1) If a Telephone Company tariff filing to withdraw or limit the availability of five (5) or seven (7) year service terms (a Grandfathering Tariff) has not become effective as of January 1, 2018, then upon written notice from the Customer to the Telephone Company, the Customer may continue to purchase or retain Subject Services under five (5) and seven (7) year service terms to the extent such service terms remain available under the terms and conditions of the applicable tariff provisions, subject to any subsequent changes in such terms and conditions, but all other terms and conditions of this Contract Offer will continue to apply.

(2) If a Grandfathering Tariff becomes effective by January 1, 2018, then upon written notice from the Customer to the Telephone Company, the Customer may purchase or retain Subject Services under five (5) and seven (7) year service terms, according to the same rates, terms and conditions as provided under the Grandfathering Tariff, including, without limitation, any terms and conditions governing termination liability charges and completion of service terms, but all other terms and conditions of this Contract Offer will continue to apply. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.4 General Terms and Conditions (Cont'd)

(H) If, during the Term Period, any of the Qualified Companies or any portion of any such Qualified Company is no longer under the ownership and control of AT&T Inc. (a "Divested Entity"), then as of the closing date(s) of the relevant transaction(s), any Concurrently Subscribed Contract Offer applicable to a Divested Entity shall be administered and enforced, and any rights or obligations of either party to such Contract Offer shall apply, separately to: (i) the Qualified Companies (and any portions of Qualified Companies) remaining under the ownership and control of AT&T Inc. and (ii) the Divested Entity or Entities. In particular, but without limitation, the MARC (as provided in Section 33.169.5) and the amount of MARC-Eligible Charges required to qualify for Plan Shortfall Charges (as provided in Section 33.169.6(C)) shall be pro-rated between the Qualified Companies (and any portions of Qualified Companies) remaining under the ownership and control of AT&T Inc. and the Divested Entity or Entities in proportion to the amount of MARC-Eligible Charges billed by the Qualified Companies (and any portions of Qualified Companies) remaining under the ownership and control of AT&T Inc. and the Divested Entity or Entities, for the three months immediately prior to the closing date(s) of the relevant transaction(s).

Notwithstanding the foregoing paragraph, nothing in this Section 33.169.4(H) shall prevent the lawful modification or termination of any of the Concurrently Subscribed Contract Offers, as applicable to any Qualified Company or Divested Entity.

33.169.5 Minimum Annual Revenue Commitment

The Customer must satisfy a Minimum Annual Revenue Commitment (MARC) for each Term Year of this Contract Offer. The MARC shall be satisfied by gross billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (except those issued under the Concurrently Subscribed Contract Offers), as well as adjustments for overbilling, under-billing and billing dispute settlements issued during that Term Year for Subject Services and Non-Subject Services purchased by and billed to Customer under the Eligible ACNAs (collectively, "MARC-Eligible Charges"). The Customer's MARC-Eligible Charges shall specifically exclude non-recurring charges, usage-based charges and temporary service charges. Credits under this Contract Offer are conditioned on the Customer's satisfaction of

(N)

the MARC in each Term Year. Satisfaction of the MARC shall be determined according to MARC-Eligible Revenue.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.5 Minimum Annual Revenue Commitment (Cont'd)

The MARC for the first Term Year of the Term Period will be equal to ninety-five percent (95%) of the Customer's MARC-Eligible Revenue for the three (3) months prior to the Subscription Date, times four (4). The MARC for the each subsequent Term Year of the Term Period will be equal to ninety-five percent (95%) of the Customer's MARC-Eligible Revenue for the last three (3) months of the prior Term Year, times four (4).

33.169.6 Billing & Credits

(A) Subject Service Non-Recurring Charges.

(1) Tables C and D, below, contain the effective rates for Subject Services under this Contract Offer No. 169. Any rate elements not listed in Tables C and D will be provided at the applicable rates in PBTC Tariff F.C.C No 1, Section 7. Each circuit element (Channel Termination and Mileage) must be located entirely in the MSAs listed in Section 33.169.2(A) to be eligible for these rates.

(2) The Telephone Company will initially bill the Customer according to the otherwise applicable twelve (12) month Optional Payment Plan Monthly Recurring Charges ("OPP MRCs"). The Customer will then be credited in an amount equal to the difference between the otherwise applicable OPP MRCs and the MRCs for the rate elements listed in Tables C and D, below. Credits will be applied monthly in arrears. Taxes, if applicable, will be charged on the OPP MRC rates, but will not be included in the credits applied to the Customer's bill. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.6 Billing & Credits (Cont'd)

(A) Subject Service Non-Recurring Charges (Cont'd)

Table C:

DS1 Special Access Services Rate Element	**USOC**	**5 Year MRC**
Channel termination-Per Point of Termination-Zone 1	TMECS	$100.00
Channel termination-Per Point of Termination-Zone 2	TMECS	$110.00
Channel termination-Per Point of Termination-Zone 3	TMECS	$120.00
Channel Mileage-Fixed-Zone 1	1L5XX	$35.00
Channel Mileage-Fixed-Zone 2	1L5XX	$37.50
Channel Mileage-Fixed-Zone 3	1L5XX	$40.00
Channel Mileage-Per Mile-Zone 1	1L5XX	$8.50
Channel Mileage-Per Mile-Zone 2	1L5XX	$9.00
Channel Mileage-Per Mile-Zone 3	1L5XX	$9.25
Central Office Multiplexing DS1 to DS0-Per Arrangement-Zone 1	MQ1, MQ2, QMU	$160.00
Central Office Multiplexing DS1 to DS0-Per Arrangement-Zone 2	MQ1, MQ2, QMU	$165.00
Central Office Multiplexing DS1 to DS0-Per Arrangement-Zone 3	MQ1, MQ2, QMU	$170.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.6 Billing & Credits (Cont'd)

(A) Subject Service Non-Recurring Charges (Cont'd)

Table D:

DS3 Rate Elements	USOC	5 YR MRC
Channel Termination-Per Point of Termination-Zone 1	Z3MAC/Z3MAP	$970.00
Channel Termination-Per Point of Termination-Zone 2	Z3MAC/Z3MAP	$990.00
Channel Termination-Per Point of Termination-Zone 3	Z3MAC/Z3MAP	$1,010.00
Channel Mileage-Fixed-Zone 1	1L5XX	$400.00
Channel Mileage-Fixed-Zone 2	1L5XX	$410.00
Channel Mileage-Fixed-Zone 3	1L5XX	$435.00
Channel Mileage - Variable - Zone 1	1L5XX	$17.50
Channel Mileage - Variable - Zone 2	1L5XX	$20.00
Channel Mileage - Variable - Zone 3	1L5XX	$22.50
Multiplexing – Zone 1	MQ3	$275.00
Multiplexing – Zone 2	MQ3	$285.00
Multiplexing – Zone 2	MQ3	$295.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.6 Billing & Credits (Cont'd)

(B) Service Portability Credits.

The Qualified Companies will issue credits in the amount of any termination liability charges that would otherwise apply as a result of the disconnection of Subject Services during the Term Period, provided that the conditions set forth below have been met. Such charges initially will be billed, and must be paid, as provided in the relevant sections of this Tariff F.C.C. No. 1, not including this Contract Offer. The Telephone Company will calculate and issue credits for each Quarter, which will be issued no later than sixty (60) days after the end of each Quarter.

(1) Any disconnected Subject Service(s) must have been in service for a minimum of twelve (12) months.
(2) The Customer must continue to purchase no less than the number of DS1 and DS3 Subject Services (to be determined separately) that were in service as of the Subscription Date of this Contract Offer.

(C) Credits for Plan Shortfall Charges.

The Qualified Companies will issue credits in the amount of any termination liability charges or any charges for failure to satisfy a minimum Commitment Level pursuant to a High Capacity Service Portability Commitment, when such charges would otherwise apply as a result of the disconnection of Subject Services during the Term Period, provided that the conditions set forth below have been met. Such charges initially will be billed, and must be paid, as provided in the relevant sections of this Tariff F.C.C. No. 1, not including this Contract Offer. The Telephone Company will calculate and issue credits for each Term Year, which will be issued no later than sixty (60) days after the end of each Term Year.

(1) Any disconnected Subject Service(s) must have been in service for a minimum of twelve (12) months.
(2) MARC-Eligible Charges for the Term Year must have been no less than forty-three million one hundred sixty-seven thousand one hundred eighty-eight dollars ($43,167,188). (N)

(This page filed under Transmittal No. 513)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.7 Access Service Ratio

The Customer (including any of its Affiliates included in this Contract Offer) must maintain an Access Service Ratio as further provided in this Section 33.169.7. The Access Service Ratio shall be calculated quarterly, based on data for the most recent single month for which information is available at the time of the calculation. The Qualified Companies will calculate the Customer's Access Service Ratio as of the Subscription Date and for each Quarter thereafter, as follows:

Access Service Ratio = Access Revenue /
(Access Revenue + Wholesale Revenue)

During the Term Period, the Access Service Ratio may not decline by more than 3%, as compared to the Access Service Ratio on the Subscription Date, as determined by each quarterly calculation of the Access Service Ratio.

Example: Assume that the Customer's Access Service Ratio, as calculated for the Subscription Date, is 95%. For each subsequent quarterly calculation of the Access Service Ratio, the Customer would be required to achieve an Access Service Ratio of at least 92%.

If, during the Term Period, any of the Qualified Companies offers additional ILEC access services or UNEs, such additional ILEC access services or UNEs shall also be included in the calculation of the Access Service Ratio. Recurring revenue, for purposes of calculating the Access Service Ratio, will be measured according to gross billed recurring revenue, after application of any discounts or credits applicable to that recurring revenue, plus any adjustments for overbilling, under-billing and billing dispute settlements. The calculation of recurring revenue will not include any DS1 Plan Credits issued pursuant to this Contract Offer.

If, upon the initial review or any quarterly review of the Customer's compliance with the Access Service Ratio, the Qualified Companies determines that the Customer has not complied with the Access Service Ratio, the Qualified Companies will so notify the Customer in writing. The Customer will have sixty (60) days after such notice to cure its noncompliance with the Access Service Ratio. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.7 Access Service Ratio (Cont'd)

"Access Revenue" means the Qualified Companies' interstate recurring revenue from the Customer and its "Affiliates" associated with the services defined in Tables E and F, below. An "Affiliate" of a party to this Contract Offer means any entity that controls, is controlled by, or is under common control with, such party.

Table E:

Service Type	**Service**[1]
Interstate Special Access	OCN (Optical Carrier Network) PTP
	Dedicated SONET Ring Service (DSRS)
	SONET Ring and Access Service (SRAS)
	GigaMAN (Gigabit Ethernet Metropolitan Area Network)
	Multi-Service Optical Network (MON)Ring Service
	OpteMAN (Optical Ethernet Metropolitan Area Network)
	DecaMAN (10 Gigabit Ethernet Metropolitan Area Network)
	AT&T Switched Ethernet Service (ASE)
	WaveMAN (Wavelength Metropolitan Area Network)
	Serial Component Video Service (SCVS)
	High Definition Video Transport (HDVT)
	AVS 270 Video Service
	Voice Grade
	DS0
	DS1
	DS3
	Switched Access Transport

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.7 Access Service Ratio (Cont'd)
"Wholesale Revenue" means the Qualified Companies' recurring revenue from the Customer and its Affiliates for unbundled network elements and associated rate elements, as defined in Table D, below.

Table F

Service Type-- Unbundled Network Elements and Associated Services or Rate Elements	**Service or Network Element**[1]
DS1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OCn	OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service
Other	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 – Access Service Offer (Cont'd)

33.169.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC, F.C.C. Tariff No. 1, Section 2.1.2, the Qualified Companies will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. Tariff No. 1, Section 2.1.2 , are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade,

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsections (A) or (B) of this Section 33.169.7 is not available, the Qualified Companies shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.169 Contract Offer No. 169 - Access Service Offer (Cont'd)

33.169.8 Assignment/Transfer/Successors (Cont'd)

(D) Notwithstanding anything to the contrary in this Section 33.169.8, the Customer may, upon written notice to the Qualified Companies, assign in whole or relevant part its rights and obligations under this Agreement to an Affiliate of the Customer, but the Customer will remain financially responsible for the performance of such obligations.

33.169.9 Mergers, Acquisitions, Sales or Divestitures Involving Customer

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Qualified Companies, the Subject Services, as provided for in this Contract Offer, will continue to be provided at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

33. Pricing Flexibility Contract Offerings

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

. (Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

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33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

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33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

33. Pricing Flexibility Contract Offerings (Cont'd)

(Dx)

(Dx)

x -Issued under the authority of Special Permission No. 15-018 of the F.C.C. in order to withdraw material previously filed under Transmittal No. 528.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.171 Contract Offer No. 171 – Access Service Offer

33.171.1 General Description

This Special Access Service Offer (Contract Offer No. 171) is a Spend Plan with Pacific Bell Telephone Company ("PBTC" or the "Telephone Company"). Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 171, Contract Offer No. 171 allows eligible Customers to earn credits based upon its level of Spend-Eligible Charges ("Spend"), as defined in this Contract Offer. The Spend calculation reflects certain recurring revenue from, in the aggregate, all Spend-Eligible Services purchased from the Telephone Company, as defined and provided in this Contract Offer No. 171.

Contract Offer No. 171 will be available for subscription only from November 26, 2015 through December 26, 2015. This offer is not renewable.

33.171.2 Subject and Non-Subject Services

"Spend-Eligible Services" under this Contract Offer No. 171 consist of both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Telephone Company and located within the operating territory of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory), except that in no event shall any services connecting to cell sites, mobile telecommunications switching offices (MTSOs), or mobile switching centers (MSCs) be considered Spend-Eligible Services. Spend-Eligible Charges include charges for Spend-Eligible Services that were in service as of the Subscription Date, as well as those placed in service during the Term Period.

(A) Subject Services
Subject Services are pricing flexibility qualified access services or rate elements listed in Table A, below. Subject Services are subject to all rates, terms and conditions of this Contract Offer.

Table A – Subject Services as referenced in 33.171.4(A)

Category	Services Included
Interstate Special Access located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	All Voice Grade (VG), DS0, DS1 and DS3 special access services or rate elements that are eligible for pricing flexibility

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.2 Subject and Non-Subject Services (Cont'd)

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below. Non-Subject Services are included in Spend calculations, but are not otherwise subject to the rates, terms or conditions of this Contract Offer.

Table B – Non-Subject Services

Category	**Services Included**
Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs) and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief.	Any VG, DS0, DS1, and DS3 special access services and rate elements not listed in Table A
Intrastate Special Access	Intrastate services equivalent to the interstate services listed above as either Subject Services or Non-Subject Services

(C) All terms and conditions for those Spend-Eligible Services that are tariffed are governed by their respective tariff sections, except as otherwise provided in this Contract Offer No. 171. All terms and conditions for those Spend-Eligible Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

(D) No service purchased by Customer, or any of its Qualifying Affiliates, for the provision of Wireless Telecommunications Services, shall constitute a Subject Service or Non-Subject Service under this Contract Offer No. 171.

(E) Subject Services and Non-Subject Services shall also include any additional similar or successor services which are subsequently provided by the Telephone Company and were not available as of the effective date of this Contract Offer No. 171. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.3 Definitions

As used in this Contract Offer No. 171,

(A) "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

(B) A "Circuit" means special access circuit that meets all of the following criteria:

(1) has at least one of the following, as applicable:

(a) for DS1 special access services, DS3 special access services, and dedicated Ethernet special access services,[1] has a channel termination component, a local channel component, or a mileage component; or (N)

(b) for AT&T Switched Ethernet Services,[1] has a port connection; and

(2) has a circuit identification number (ID).

Standalone multiplexers are expressly excluded from this definition.

(C) "Commingling" as defined in PBTC Tariff F.C.C. No. 1, Section 2.6.

(D) An "ILEC Affiliate" means an Affiliate of the Telephone Company that is an incumbent local exchange carrier.

(E) A "Permitted Successor" is a successor-in-interest to the Customer or a Qualifying Affiliate that is itself an Affiliate of Customer.

[1] Ethernet Services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at the Interstate Access link at www.att.com/guidebook (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.3 Definitions (Cont'd)

(F) A "Qualifying Affiliate" means any Customer Affiliate (as Customer Affiliates exist on the Subscription Date) that meets any of the following:

(1) is a telecommunications carrier under applicable federal or state law; or

(2) has an assigned ACNA; or

(3) is purchasing for resale or using an input into another service being offered or otherwise provided to non-Affiliates (a) any of the services in Table A or Table B, above, or (b) any interstate broadband services provided by the Telephone Company or any of its ILEC Affiliates;[1] or

(4) is a customer of record with the Telephone Company or any of its ILEC Affiliates for (a) any of the services in Table A or Table B, above, or (b) any interstate broadband services provided by the Telephone Company or any of its ILEC Affiliates.

(G) "Quarter" means a consecutive calendar quarter, with the first Quarter beginning on January 1, 2016.

(H) A "Selling Affiliate" means any Customer Affiliate (as Customer Affiliates exist on the Subscription Date) from which the Telephone Company or any of its Affiliates is purchasing, directly or indirectly, on the Subscription Date, services substantially similar to those comprising the Subject Services and Non-Subject Services under this Contract Offer.

(I) "Term Month" means a full calendar month during the Term Period.

(J) "Wireless Telecommunications Services" means wireless radio services, whether fixed or mobile, and are subject to regulation on a common carrier basis under federal law.

[1] Optical Carrier Network (OCN) Point-to-Point, Dedicated SONET Ring Service (DSRS), GigaMAN, DecaMAN, WaveMAN, OPT-E-MAN Service, AT&T Switched Ethernet Services and other interstate broadband services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates,

(N)

terms and conditions associated with detariffed services are available at the Interstate Access link at www.att.com/guidebook.

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 - Access Service Offer(Cont'd)

33.171.4 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 171:

(A) Contract Offer No. 171 is available for qualified special access services located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and those additional MSA's listed below. During the Term Period of this Contract Offer No. 171, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer No. 171.

Phase I - All Rate Elements (Including Channel Terminations):

Oxnard-Ventura, CA	Sacramento, CA	San Diego, CA	Santa Rosa, CA
Stockton, CA			

Phase I - Rate Elements other than Channel Terminations

Non-MSA, CA			

(B) During the last full calendar month prior to the Subscription Date, the monthly recurring charges, after application of any discounts or credits applicable to those recurring charges, as well as adjustments for overbilling, underbilling and billing dispute settlements, billed by the Telephone Company and its ILEC Affiliates to Customer and its Qualifying Affiliates for Spend-Eligible Services, the Spend Eligible Charges must have been in an aggregate amount of not less than $16 million and not greater than $20 million.

(C) At the end of the last full calendar month prior to the Subscription Date, the Customer and its Qualifying Affiliates must have had in-service with the Telephone Company and its ILEC Affiliates all of the following:

(1) no fewer than 66,000 interstate DS1 Circuits but no more than 70,000 interstate DS1 Circuits, that would qualify as Spend-Eligible Services, and (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.4 Eligibility Criteria (Cont'd)

(C) (Cont'd)

(2) no fewer than 4,700 interstate DS3 Circuits but no more than 5,700 interstate DS3 Circuits, that would qualify as Spend-Eligible Services.

(D) Neither Customer nor its Qualifying Affiliates can be a provider of Wireless Telecommunication Services.

(E) As of the Subscription Date, neither the Customer nor its Qualifying Affiliates may be purchasing from the Telephone Company interstate or intrastate special access services from the Telephone Company pursuant to any pricing flexibility contract offer, intrastate "ICB" contract or other individually negotiated arrangement that includes any minimum volume or revenue commitment, other than any contract offer that will be terminated upon the Customer's subscription to this Contract Offer No. 171.

(F) During the last full calendar month prior to the Subscription Date, the aggregate monthly recurring charges, after application of any discounts or credits applicable to those recurring charges, as well as adjustments for overbilling, underbilling and billing dispute settlements, billed by Customer and its Selling Affiliates to the Telephone Company and its Affiliates for DS1 and DS3 special access services substantially similar to those comprising the Subject Services and Non-Subject Services under this Contract Offer, and Ethernet services[1] substantially similar to those offered by the Telephone Company ("Customer Subject Services"), shall be, in the aggregate, not less than $75 million and not more than $85 million. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.4 Eligibility Criteria (Cont'd)

(G) At the end of the last full calendar month prior to the Subscription Date, the Telephone Company and its Affiliates must have had in-service with the Customer and its Selling Affiliates both:

(1) no fewer than 110,000 interstate DS1 special access services but no more than 120,000 interstate DS1 special access services, that qualify as Customer Subject Services, and

(2) no fewer than 10,000 interstate DS3 special access services but no more than 15,000 interstate DS3 special access services, that qualify as Customer Subject Services.

(H) The number of special access services channel termination components and local channel components purchased by the Customer and its Qualifying Affiliates from the Telephone Company and its ILEC Affiliates must have increased from the period from November 2014 through April 2015, inclusive (Period 1), to the period from May 2015, through October 2015 (Period 2), inclusive. The foregoing will be determined by aggregating the number of in-service components at the end of each calendar month for Period 1 and comparing that number to the aggregate number of in-service components at the end of each calendar month for Period 2.

33.171.5 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 171:

(A) Subscription.
To subscribe to Contract Offer No. 171, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS must encompass Customer and all of its Qualifying Affiliates, and Customer must include, in the LOS, all Access Customer Name Abbreviations (ACNAs) used by Customer and its Qualifying Affiliates (hereafter referred to as "Eligible ACNAs"). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 171. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.5 Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer No. 171 ("Term Period") shall begin on the date that Customer submits a valid and executed Letter of Subscription (LOS) to the Telephone Company ("Subscription Date"), and shall end on March 31, 2018, subject to extensions as provided in this Section.

The Term Period will be automatically extended by up to four (4) consecutive one-year extension periods unless the Telephone Company receives Customer's written notice of intent not to extend this Contract Offer No. 171 for such an extension period, by no later than the March 1st immediately prior to the then-applicable expiration date of Term Period (as may have been previously extended pursuant to this Section). If the Telephone Company receives such notice by such March 1st, the Term Period will end on the following March 31st.

(C) The Customer and its Qualifying Affiliates (as each exists on the Subscription Date), in the aggregate, must meet each of the following criteria for each Quarter.

(1) the monthly recurring charges, after application of any discounts or credits applicable to those charges (including the credits issued under the Contract Tariffs), as well as adjustments for overbilling, underbilling and billing dispute settlements, for interstate DS1 and DS3 special access provided and billed by AT&T to Customer and its Qualifying Affiliates, are not more than $25,000,000 times the number of Term Months in such Quarter; and

(2) the Circuit Volume for such Quarter that is equal to or greater than the Required Volume times the number of Term Months in such Quarter. The "Circuit Volume" means the aggregate number of the following AT&T services in-service at the end of each such Term Month: (i) interstate DS1 Circuits, (ii) interstate DS3 Circuits, and (iii) all AT&T switched Ethernet Circuits.[1] For avoidance of doubt, such a number of such in-service Circuits will be determined at the end of such Term Month, and added together to determine the Circuit Volume.

[1] Ethernet Services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at the Interstate Access link at www.att.com/guidebook. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.5 Terms and Conditions (Cont'd)

(C) (2) (Cont'd)

a) The Required Volume is as follows:

Application Period	Required Volume
January 1, 2016 until March 31, 2018	53,500 Circuits
Each extension period (Years 4, 5, 6 or 7)	53,500 Circuits 2/3 of the average monthly Circuit Volume during January, February and March 2018 (or last Quarter of the prior extension period, as applicable), whichever is less.

For any Quarter in which Customer and its Qualifying Affiliates do not fulfill both criteria, the Customer shall repay to the Telephone Company the total amount of the credits and waivers attributable to such Quarter that were or are issued to Customer under this Contract Offer No. 171 (and the Telephone Company shall have no obligation to issue any such credits or waivers that have not been issued), and the Telephone Company shall reverse any debit issued under Section 33.171.6(E) attributable to such Quarter that were or are issued to Customer under this Contract Offer No. 171.

(D) Credits earned under this Contract Offer No. 171 shall be applied as described in Section 33.171.6, below. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.5 Terms and Conditions (Cont'd)

(E) Except as provided in Section 33.171.5(F), credits earned under this Contract Offer No. 171 are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's generally applicable tariffs or other Telephone Company contract offers.

(F) Spend-Eligible Services under this Contract Offer No. 171 may not be purchased pursuant to any pricing flexibility contract offer, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, (any such precluded tariffs or agreements hereafter referred to as an "Other Commitment Agreement"), unless the Other Commitment Agreement expressly refers to this Contract Offer No. 171 and expressly permits the Customer to purchase such services subject to this Contract Offer No. 171 and such Other Commitment Agreement. The word "purchase," as used in the foregoing sentence, refers to the Customer or any of its Affiliates obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed.

(G) Credits to be provided under this Contract Offer No. 171 will not be issued unless and until the Customer has paid all billed charges for Spend-Eligible Services due and owing as of the date the credits are issued (excluding amounts disputed and withheld in accordance with the Telephone Company's dispute process), and is otherwise in material compliance with this Contract Offer No. 171.

(H) During the Term Period, any interstate DS1 special access services and any interstate DS3 special access services purchased from the Telephone Company by Customer and/or any of its Affiliates shall be purchased subject to a Covered TPP, as defined in Section 33.171.6(E), below. Failure to do so would be a material breach of this Contract Offer No. 171, which would allow the Telephone Company to terminate this Contract Offer No. 171; if, however, Customer inadvertently fails to do so, Customer shall be permitted to cure such failure. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.5 Terms and Conditions (Cont'd)

(I) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 171.

(J) During the Term Period, the Customer may not at any time be obtaining from the Telephone Company a greater number of Subject Services and Non-Subject Services that are commingled with one or more unbundled network elements than the number of such Subject Services and Non-Subject Services in place as of the Subscription Date that are commingled. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.6 Credits and Waivers

(A) Spend Credits

"Spend-Eligible Charges" means the billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (except those issued under this Contract Offer No. 171), as well as adjustments for overbilling, underbilling and billing dispute settlements for, in the aggregate, the Spend-Eligible Services, which are purchased by and billed to Customer and its Qualifying Affiliates (as each exists as of the Subscription Date) (or their Permitted Successors) under the Eligible ACNAs. The Customer's Spend-Eligible Charges shall specifically exclude the following:

(1) non-recurring charges;

(2) usage-based charges;

(3) temporary service charges;

(4) special construction charges;

(5) fractional and partial recurring charges;

(6) customer premise equipment charges;

(7) charges for services provided by a non-Affiliate third party service provider;

(8) taxes, surcharges, or government-related charges;

(9) Expanded Interconnection Terminations, Interconnection Tie Pairs or Cross-Connect charges under any Affiliate's Interconnection Agreement;

(10) shortfall and termination charges;

(11) charges for ACNAs for which Customer ceases to become responsible during the term of this Contract Offer No. 171, but only with respect to those charges incurred after Customer ceases to be responsible for such ACNAs; and

(12) charges invoiced outside of the Carrier Access Billing System (CABS). (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.6 Credits and Waivers (Cont'd)

(A) Spend Credits (Cont'd)

For each Term Month, subject to Section 33.171.5, the Customer is eligible for a single Spend credit under this Contract Offer. The single Spend credit would be in an amount equal to four percent (4%) times the Customer's actual Spend for such Term Month under this Contract Offer No. 171 ("Spend Credit").

The Spend Credit would be issued during the second calendar month after the Term Month to which it is attributable.

The Spend Credit shall not be posted if the Customer is in material breach of this Contract Offer No. 171, or Customer or any of its Qualifying Affiliates is in material breach of any other terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer or such Qualifying Affiliate.

(B) Conditions to Other Credits

To be eligible to earn any of the credits under Section 33.171.6(C) or DS1 Plan Credits under Section 33.171.6(D) with respect to any Term Month during the Term Period, Customer and its Qualifying Affiliates must subscribe to DS1 High Capacity Service Portability Commitment (the "Portability Commitment") associated with the DS1 Term Payment Plan for the entirety of such Term Month, except to the extent that the Telephone Company eliminates the DS1 Term Payment Plan or the DS1 High Capacity Service Portability Commitment and Customer is not allowed to re-subscribe. The Customer's Commitment Level (as that term is used in connection with the DS1 High Capacity Service Portability Commitment) under the Portability Commitment will be set at the aggregate level of Customer's and its Qualifying Affiliates' purchases of DS1 Channel Terminations as of the date the Customer subscribes to this Contract Offer; provided however, that if the Customer is subscribing to the Portability Commitment as of the effective date of this Contract Offer, then the Customer's commitment level will remain the same as it was on that date. The DS1 High Capacity Service Portability Commitment is described in Sections 7.4.18 (E) of PBTC FCC Tariff No. 1. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.6 Credits and Waivers (Cont'd)

(C) Termination Liability Credit

The Telephone Company will bill, and the Customer and its Qualifying Affiliates shall pay, termination liability charges in accordance with the Telephone Company's Tariff F.C.C. No. 1. The Telephone Company will issue a credit in the amount equal to such termination liability charges due from the Customer and its Qualifying Affiliates for moves and/or disconnections of interstate DS1 and/or DS3 Subject Services located in pricing flexibility MSAs that are billed in a Term Month if, in addition to Customer and its Qualifying Affiliates meeting the conditions in Section 33.171.6(B) for such Term Month, such DS1 or DS3 Subject Service meets all of the following conditions:

(1) Such Subject Service was not disconnected by the Telephone Company as a result of a breach of the applicable Tariffs.

(2) Any such DS1 or DS3 Subject Service must not have received a termination liability credit under another revenue-based or volume-based offer, or otherwise received a waiver of such termination liability charge or other credit in an amount equal to such termination liability charge.

Any credit due under this Section 33.171.6(C) will be issued during the second calendar month after the Term Month in which such related termination liability charge was billed.

This Section shall not result in any credit for a termination liability charge such that Customer and/or its Qualifying Affiliate receives more than the amount paid to satisfy the termination liability charge.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.6 Credits and Waivers (Cont'd)

(D) DS1 Plan Credits
The Telephone Company will provide credit in an amount equal to any charges that apply as a result of Customer failing to maintain the a number of Channel Terminations equal to at least 80% of the Commitment Level (except for any such charges attributable to circuits disconnected by the Telephone Company as a result of a breach of the applicable Tariffs) or any adjustment factor (as that term is used in connection with the DS1 High Capacity Service Portability Commitment) that applies as a result of Customer exceeding 124% of the Commitment Level. Any such credit shall be applied to invoices for Subject Services.

(E) Rate Change Adjustments
The Telephone Company will provide adjustments, as described in this Section, only with respect to any interstate DS1 special access Subject Services and any interstate DS3 special access Subject Services located in pricing flexibility MSAs purchased by Customer and its Qualifying Affiliates from the Telephone Company to which Customer or a Qualifying Affiliate either:

(1) subscribed to a 60-month term payment plan, or
(2) only if the Telephone Company does not offer a 60-month term payment plan (TPP), subscribed to the term payment plan with the greatest duration offered by the Telephone Company.

((1) and (2) are referred to as, collectively, the "Covered TPPs," and individually, a "Covered TPP"). During the Term Period, the Telephone Company shall invoice Customer and its Qualifying Affiliates adjustments in the event that the monthly recurring charges ("MRCs") for Channel Terminations and Transport (interoffice) Channels for interstate DS1 and/or DS3 Subject Services located in pricing flexibility MSAs ("Covered Rate Elements") subscribed to a Covered TPP differ from the MRCs applicable under60-month term payment plans as set forth in the generally available and applicable Telephone Company tariffs as of the Subscription Date. Except as provided in this Section, to the extent the MRCs applicable for the Covered Rate Elements that are subscribed to a Covered TPP by Customer and its Qualifying Affiliates are subject to any MRC increases or decreases for the Covered TPPs during the Term Period, based upon the MRCs applicable to the Covered Rate Elements under the 60-month term payment plan as applicable on the Subscription Date, such increases or decreases will be offset by credits or debits issued against Subject Services. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.6 Credits and Waivers (Cont'd)

(E) (Cont'd)

If such MRCs for the Covered Rate Elements increase or decrease during the Term Period, the Telephone Company and Customer shall, within sixty (60) days after any such rate change, determine the average monthly effect of such rate change ("Average MRC Effect"), which shall be the (i) estimated aggregate incremental monthly effect of that MRC rate change on Customer's bills of monthly recurring charges for the Covered Rate Elements using actual data of Customer's in-service units of the Covered Rate Elements at the end of the last calendar month prior to the effective date of that MRC rate increase, and assuming all units are in-service for a full month (no pro-rating), divided by (ii) that number of in-service units of the Covered Rate Elements. Beginning after the sixth full calendar month after the MRC rate change, and for each full six-calendar-month period during the Term Period, the Telephone Company shall bill an "MRC Change Adjustment" in an amount equal to (A) the Average MRC Effect, multiplied by (B) the number of units in-service at the end of each of the months included in such six-month period, multiplied by (C) 1.509. The number used in Section 33.171.6 (E)(C) may be changed by mutual agreement of the Telephone Company and the Customer no more than once for any consecutive 12-month period.

Notwithstanding any other provision in this Contract Offer No. 171,

(a) no MRC Change Adjustment shall be made with respect to, or attributable to, any period after the expiration or termination of this Contract Offer No. 171, and

(b) this Section does not apply to any increases arising from any government requirement or other obligation, whether existing as of the Subscription Date or subsequently, including, without limitation those imposed by any federal, state or local legislation, any order, rule, or regulation of the Federal Communications Commission, state regulatory commission, or other governmental agency, or any order or judgment of any court of competent jurisdiction. This Section 33.171.6(E)(4)(b) does not apply to any MRC increases that apply only to the Telephone Company and any of its Affiliates that were initiated or requested by the Telephone Company and/or any of its Affiliates. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.6 Credits and Waivers (Cont'd)

(E) (Cont'd)

This Section does not apply to MRCs in other price flex contract offers, Tariff promotional offerings being made on the Subscription Date, or any Tariff offering that has a stated expiration, limited time availability or withdrawal date.

The Telephone Company shall issue any MRC Change Adjustment(s) against Customer's charges for Subject Services. Taxes, surcharges, recovery fees, duties, levies, and other similar charges will not be included in any calculations under this Section .

(F) Customer shall be issued a one-time credit in the amount of $371,002.00 which will be issued within two (2) months of the Subscription Date.

33.171.7 Assignment/Transfer/Successors

(A) Neither party shall assign or otherwise transfer this Contract Offer No. 171, or its rights or obligations hereunder, to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that Customer shall have the right, without the consent of but with notice to the Telephone Company, to assign or otherwise transfer the entirety of this Contract Offer No. 171 to any Qualifying Affiliate, so long as such Qualifying Affiliate otherwise qualifies under this Contract Offer No. 171.

Any assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 171, any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 171, and any assignment or transfer by the Customer shall be subject to the provisions of Section 33.171.7(B), below. Any assignment or other transfer of this Contract Offer No. 171, or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.7 Assignment/Transfer/Successors (Cont'd)

(B) Any proposed assignee or transferee must satisfy the following conditions: (i) the proposed assignee or transferee must demonstrate credit worthiness under both (1) and (2), below (and if (1) and (2) are not applicable to Customer, then (3) shall apply); (ii) neither the proposed assignee or transferee nor its parent may have commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it) at any time during the Term Period, and (iii) the proposed assignee or transferee meets the Eligibility Criteria set forth in Section 33.171.4, above.

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(b) "high risk" in a Paydex score as published by Dun and Bradstreet.

(3) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (1) or (2) of this Section is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.8 Mergers/Acquisitions and Sales/Divestitures

(A) Except as provided in Section 33.171.8(B), all provisions of this Contract Offer No. 171 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger or acquisition, if the entity other than the Customer involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 171 for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. Purchases by the other entity shall not be part of any calculation hereunder, including, without limitation, as a Spend-Eligible Service, as generating Spend-Eligible Charges, in determining achievement of the requirements of Section 33.171.5(C), or be eligible for any credits under this Contract Offer No. 171. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(B) If, during the Term Period, the Telephone Company and/or its ILEC Affiliates (or any portion of any of them) is no longer under the control of AT&T Inc. (a "Divested Entity"), then as of the closing date(s) of the relevant transaction(s), this Contract Offer No. 171 shall be administered and enforced, and any rights or obligations of either party to this Contract Offer No. 171 shall apply separately to: (i) the Telephone Company (or any portion of Telephone Company (if any)) remaining under the control of AT&T Inc., and (ii) the Divested Entity or Entities, after taking into account such relevant transaction(s). In particular, but without limitation, the conditions (as provided in Section 33.171.5(C)) required to qualify for credits under this Contract Offer No. 171 will be pro-rated between any portion of the Telephone Company and/or its ILEC Affiliates (or any portion of any of them) remaining under the control of AT&T Inc. (the "Remaining AT&T ILECs"), and the Divested Entity or Entities in proportion to (1) for Section 33.171.5(C)(1), the amount of the monthly recurring charges, after application of any discounts or credits applicable to those charges (including the credits issued under this Contract Offer No. 171), as well as adjustments for overbilling, underbilling and billing dispute settlements for interstate DS1 and DS3 special access services provided and billed by the Remaining AT&T ILECs and by the Divested Entity or Entities, for the three full calendar months immediately prior to the Transaction Close Date of the relevant transaction(s), and (2) for Section 33.171.5(C)(2), based upon the Circuit Volumes billed by the Remaining AT&T ILECs and by the Divested Entity or Entities at the end of the three full calendar months immediately prior to the Transaction Close Date of the relevant transaction(s).

Notwithstanding the foregoing paragraph, nothing in this Section 33.171.8(B) shall prevent the lawful modification or termination of this Contract Offer No. 171, as applicable to the Telephone Company, any portion of Telephone Company (if any) remaining under the control of AT&T Inc., or any Divested Entity or Entities. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.9 Effect of Contract Offer No. 171 on Any Grandfathering or Sunsetting of Subject Services or Non-Subject Services

Nothing in this Contract Offer No. 171 shall prevent the Telephone Company or any of its ILEC Affiliates from terminating the provision of Subject Services or Non-Subject Services, in part, or in their entirely, prior to the end of the Term Period, to the extent permitted by applicable law.

33.171.10 Termination

(A) Termination Liability Charge

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 171 for any reason other than material breach by the Telephone Company, or if the Telephone Company terminates this Contract Offer No. 171 as a result of a material breach by the Customer or any of its Qualifying Affiliates, then this Contract Offer No. 171 shall be terminated (if not already terminated) and the Customer shall forego (or repay, if applicable), as a termination liability charge, one hundred percent (100%) of the credits and waivers issued or due under this Contract Offer No. 171 attributable to:

(1) the month in which the breaching party receives the pertinent breach notice and any subsequent month(s) through the effective date of termination, or

(2) if termination is not due to an uncured breach, the month in which the effective date of termination occurs.

Customer will pay any termination liability charge due to the Telephone Company within 30 days of the Telephone Company invoice date for such charge, provided, however, that the Customer shall not repay any amount attributable to any such credits or waivers that have not been, or are not, issued by the Telephone Company (and the Telephone Company will not be obligated to issue any such credits which were due but not issued prior to such termination). (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.171 Contract Offer No. 171 – Access Service Offer(Cont'd)

33.171.10 Termination (Cont'd)

(B) If any portion of this Contract Offer No. 171 is found to be invalid, unenforceable, or otherwise contrary to applicable law, the Telephone Company or the Customer may, in its respective sole discretion, terminate this Contract Offer No. 171 upon (10) days' written notice to the other.

(C) The Telephone Company may terminate this Contract Offer No. 171, upon not less than fifteen (15) business days written notice, if Customer is obligated under Section 33.171.5(C) to repay the credits and waivers under this Contract Offer No. 171 for two (2) consecutive Quarters. In the event of a termination under this Section, the Customer shall forego (repay if applicable) to the Telephone Company the total amount of any such credits and waivers attributed to any Term Month after the second of the consecutive Quarters that were or are issued to Customer (and the Telephone Company shall have no obligation to issue any such credits or waivers that have not been issued).

(D) After a transaction to which Section 33.171.8(B) applies, (i) the termination of this Contract Offer No. 171 solely applicable to any portion of the Telephone Company remaining under the control of AT&T Inc. will not terminate this Contract Offer No. 171 as it applies to any Divested Entity or Entities, and (ii) the termination of this Contract Offer No. 171 solely applicable to any Divested Entity or Entities will not terminate this Contract Offer No. 171 as it applies to any portion of the Telephone Company remaining under the control of AT&T Inc. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.172 Contract Offer No. 172 – Access Service Offer (N)

33.172.1 General Description (N)

The Special Access Service Offer (Contract Offer No. 172) consists of TDM credit and waiver plans and a Minimum Annual Revenue Commitment plan, for which concurrent subscription is required to this Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 36; Ameritech Operating Companies, Tariff F.C.C. No. 2, Contract Offer No. 222; BellSouth Telecommunications, LLC (BellSouth) Tariff F.C.C. No. 1, Section No. 25, Contract Offer No. 87; and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 192 (collectively, with this Contract Offer No. 172, "Concurrently Subscribed Contract Offers"). NBTC, Ameritech, BellSouth, SWBT with Pacific Bell ("PBTC" or the "Telephone Company") shall be identified herein as the "Qualified Companies." (Nx)

Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers, Contract Offer No. 172 provides eligible customers with quarterly credits, and also requires eligible customers to make and satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 33.172.5. The MARC is fulfilled by certain recurring revenues from, in the aggregate, certain services purchased from the Telephone Company, as set forth in this Contract Offer No. 172, and certain services purchased from the other Qualified Companies, as set forth in the other Concurrently Subscribed Contract Offers. (N)

The certain services provided by the Telephone Company are described in Section 33.172.2, with the Subject Services set forth in Section 33.172.2(A), and Non-Subject Services set forth in Section 33.172.2(B) and (C).

Contract Offer No. 172 will be available for subscription only from December 30, 2015 through January 29, 2016. This offer is not renewable. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.2 Subject and Non-Subject Services

The Subject Services, listed in Table A, below, the Legacy Non-Subject Services, listed in Table B, below, and the Ethernet Non-Subject Services, listed in Table C, below, are limited to those provided by the Telephone Company and located within the "Operating Territory" of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory) except that in no event shall any services connecting to the Customer's or any of its Affiliate's cell sites, mobile telecommunications switching offices (MTSOs), or mobile switching centers (MSCs) be considered MARC-Eligible Services, as defined in Section 33.172.4(C), below.

(A) Subject Services

Subject Services are pricing flexibility qualified access services or rate elements listed in Table A, below.

Table A – Subject Services

Category	**Services Included**
Interstate Special Access located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	DS1 and DS3, except for any rate elements not subject to pricing flexibility

(B) Non-Subject Services

Legacy Non-Subject Services and Ethernet Non-Subject Services are listed in Tables B and C, respectively, below (collectively, the "Non-Subject Services"). Non-Subject Services are included in determinations made under this Contract Offer No. 172 (including with respect to the Eligibility, MARC achievement, and Quarterly Credit calculations and issuances), but are not otherwise subject to the rates, terms or conditions of this Contract Offer No. 172.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.2 Subject and Non-Subject Services (Cont'd)

Table B – Legacy Non-Subject Services

Category	**Services Included**[1]
Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs) and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief.	DS1 and DS3
Broadband Interstate Special Access[1]	SMARTRing® Services Lightgate® Services – OCN Optical Carrier Network (OCN) Point to Point Dedicated SONET Ring Service (DSRS)
Intrastate Special Access	Intrastate services equivalent to the interstate services listed above as either Subject Services or other Legacy Non-Subject Services

[1] Interstate OCN PTP, DSRS, GigaMAN,® DecaMAN,® OPT-E-MAN®, BellSouth Metro Ethernet Service, AT&T Switched Ethernet, WaveMAN, BellSouth Wavelength Service, BellSouth Wavelength Dedicated Ring Service, BellSouth Wavelength Channel Service, and AT&T Dedicated Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook and http://cpr.att.com/pdf/commonEthServGuide.html. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.2 Subject and Non-Subject Services (Cont'd)

Table C – Ethernet Non-Subject Services

Category	Services Included[1]
Broadband Interstate Special Access[1]	GigaMAN® (Gigabit Ethernet Metropolitan Area Network) OPT-E-MAN® (Optical Ethernet Metropolitan Area Network) DecaMAN® (10 Gigabit Ethernet Metropolitan Area Network) BellSouth Metro Ethernet Service AT&T Switched Ethernet Services (ASE) Wavelength Metropolitan Area Network (WaveMAN) BellSouth Wavelength Service BellSouth Wavelength Dedicated Ring Service BellSouth Wavelength Channel Service AT&T Dedicated Ethernet (ADE)
Intrastate Special Access	Intrastate services equivalent to the interstate services listed above as Ethernet Non-Subject Services

[1] Interstate OCN PTP, DSRS, GigaMAN,® DecaMAN,® OPT-E-MAN®, BellSouth Metro Ethernet Service, AT&T Switched Ethernet, WaveMAN, BellSouth Wavelength Service, BellSouth Wavelength Dedicated Ring Service, BellSouth Wavelength Channel Service, and AT&T Dedicated Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook and http://cpr.att.com/pdf/commonEthServGuide.html. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.2 Subject and Non-Subject Services (Cont'd)

(C) All terms and conditions for those MARC-Eligible Services that are tariffed are governed by their respective tariff sections, except as noted in this Contract Offer No. 172. All terms and conditions for those MARC-Eligible Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts. No service purchased by or on behalf of any Affiliate of Customer that is not a "Permitted Affiliate," as defined herein, and no service purchased by Customer, or any of its Permitted Affiliates, for its provision of Wireless Telecommunications Services or for connecting to the Customer's or any of its Affiliate's cell sites, MTSOs, or MSCs, shall constitute a Subject Service or Non-Subject Service under this Contract Offer No. 172. A "Permitted Affiliate," as that phrase is used in this Contract Offer No. 172, is an Affiliate of Customer that (directly or indirectly) controls, is controlled by, or is under common control with, Customer and that, as of July 1, 2015 is purchasing any Subject Service from the Telephone Company using an Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in this Contract Offer No. 172 with its written notice of subscription to this Contract Offer No. 172. (N)
"Affiliate" is defined herein as set forth in the Communications Act of 1934, as amended. "Wireless Telecommunications Services" is defined as set forth in 47 CFR § 1.907. (Nx)

(D) Subject Services and Non-Subject Services shall also include any additional similar or successor services which are provided by the Qualified Companies and were not available as of the effective date of this Contract Offer No. 172. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 172:

(A) Contract Offer No. 172 is available for qualified special access services located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and those additional MSAs listed below. During the Term Period of this Contract Offer No. 172, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services in those additional MSAs under this Contract Offer No. 172.

Phase I – All Rate Elements (Including Channel Terminations)

Oxnard-Ventura, CA	Sacramento, CA	San Diego, CA
Santa Rosa, CA	Stockton, CA	

Phase I – Rate Elements other than Channel Terminations

Non-MSA, CA

(B) During the twelve (12) months prior to the Subscription Date (as defined in Section 33.172.4(B), the Customer and its Permitted Affiliates must have purchased from the Qualified Companies services included among the Subject Services and Non-Subject Services under this Contract Offer No. 172 and the Concurrently Subscribed Contract Offers, which services must have resulted in charges equivalent to those included in MARC-Eligible Charges (as defined in Section 33.172.4(C), below) during those twelve (12) months equal to no less than $730 million.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd) (N)

33.172.3 Eligibility Criteria (Cont'd) (N)

(C) Concurrently Subscribed Contract Offers (Nx)
The Customer must concurrently subscribe to the following Contract Offers:

- NBTC Tariff F.C.C. No. 1, Contract Offer No. 36;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 192;
- BellSouth Tariff F.C.C. No. 1, Section No. 25, Contract Offer No. 87; and
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 222. (Nx)

(D) As of the time of the Customer's subscription to this Contract Offer No. 172, neither the Customer nor any Permitted Affiliate may be purchasing interstate or intrastate special access services from the Telephone Company or any other Qualified Company pursuant to (N)

(1) any pricing flexibility contract offer, other than the Concurrently Subscribed Contract Offers, or

(2) any broadband services agreement or intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, other than the Concurrently Subscribed Contract Offers. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.3 Eligibility Criteria (Cont'd)

(D) (Cont'd) Upon filing this Contract Offer No. 172, Telephone Company will be deemed to have irrevocably waived any claim that the Customer with which Telephone Company negotiated this Contract Offer No. 172, and its Permitted Affiliates, did not meet the requirements set forth in this Section 33.172.3(D).

33.172.4 Terms and Conditions
The following Terms and Conditions apply to this Contract Offer No. 172:

(A) Subscription
To subscribe to Contract Offer No. 172, the Customer must provide written notice to the Telephone Company that Customer is subscribing, which may be done by submission of a Letter of Subscription ("LOS") to the Telephone Company. The Customer must provide, at the time of subscription, all applicable and qualifying Access Customer Name Abbreviations ("ACNAs") that the Customer designates for inclusion in this Contract Offer No. 172 for itself and its Permitted Affiliates ("Eligible ACNAs"). For the Customer's subscription to this Contract Offer No. 172 to be valid, the Eligible ACNAs must be identical to the ACNAs submitted in each written notice of such subscription submitted for each of the other Concurrently Subscribed Contract Offers. Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 172.

(B) Term Period

The term of this Contract Offer No. 172 ("Term Period") shall begin on the date the Telephone Company receives Customer's subscription (which for an LOS would be the date that a valid LOS signed by the Customer is received by the Telephone Company) ("Subscription Date") and shall end on December 31, 2019. Term Year 1 shall begin on January 1, 2016 and end on December 31, 2016. Each subsequent Term Year shall consist of a period of twelve (12) consecutive calendar months, beginning January 1st after the end of the previous Term Year. A "Quarter" means a calendar quarter within a Term Year.

This Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers may be extended for up to two additional one-year periods with the written consent of Customer and the Qualified Companies. During each one-year extension, the MARC, the Quarterly Maximum Credits and Quarterly Credits will be administered at the same level as it was during Term Year 4. For clarity, agreement to the first additional one-year extension does not obligate Customer and the Qualified Companies to agree to the second additional one-year extension. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(C) The Customer must satisfy a MARC, as described in 33.172.5(A), for each Term Year of this Contract Offer No. 172. The MARC shall be satisfied by gross billed monthly recurring charges for, in the aggregate, the MARC-Eligible Services that are purchased by and billed to the Customer and its Permitted Affiliates (as each exists as of July 1, 2015, or their permitted successors) under the Eligible ACNAs, after application of

(i) any discounts or credits applicable to those recurring charges (including DS1 High Capacity Service Portability Commitment Plan credits under the PBTC Tariff F.C.C. No. 1, Section 7.4.18) and

(ii) adjustments for overbilling, underbilling and billing dispute settlements applicable to those recurring charges, and

(iii) Quarterly Credit(s) attributable to the Quarter and/or Term Year for which MARC satisfaction is being calculated (collectively, "MARC-Eligible Charges").

By way of example only for Section 33.172.4(C)(iii), the Quarterly Credit due for the last Quarter within a Term Year will be included in the MARC calculation for such Term Year even though such Quarterly Credit is issued after the end of such Term Year, and will not be included in a MARC calculation for any following Term Year.

The MARC-Eligible Services are the Subject Services, the Legacy Non-Subject Services, and the Ethernet Non-Subject Services, as set forth in Section 33.172.2 of this Contract Offer No. 172, and the "Subject Services," the "Legacy Non-Subject Services," and the "Ethernet Non-Subject Services," as similarly set forth in the other Concurrently Subscribed Contract Offers (collectively referred as the "MARC-Eligible Services"). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(C) (Cont'd)

The MARC-Eligible Charges shall specifically exclude (among other possible items, the following list being illustrative only) the following:

(1) Any non-recurring charges, usage-based charges, temporary service charges, surcharges, fractional debit/credit amounts, minimum period charges, termination liabilities, or any other billings other than billed amounts that are, in the normal course of business, applicable on a recurring monthly basis for the applicable Quarter or Term Year;

(2) taxes or other charges imposed by a federal, state, local, or other governmental entity (e.g., Federal Universal Service Fund);

(3) service or administrative fees or charges imposed by any Qualified Company (e.g., interest charge, late payment charge);

(4) for only the Annual True-Up Process for a Term Year, any MARC-Eligible Charges billed in such Term Year that are disputed by Customer or a Permitted Affiliate, for which payment is being withheld by Customer or a Permitted Affiliate at the end of the forty-fifth (45th) day after such Term Year;

(5) shortfall or overage charges associated with term plan true-ups (e.g., for failure to satisfy commitment levels);

(6) any amount billed for special construction and any other one-time charges for building or installing facilities or equipment; and

(7) billed amounts associated with any service (or any portion of a service) that is not a MARC-Eligible Service. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(C) (Cont'd)

Notwithstanding any other provisions of this Contract Offer No. 172, both credits and debits issued to effectuate the re-terming of MARC-Eligible Services after the expiration of their previous term commitments, whether as a result of a mechanized order generator or otherwise, and credits and debits issued for overbilling, underbilling and billing dispute settlements, shall be applicable to the Quarter based upon the invoice dates of the invoices in which such credits or debits appear.
A "permitted successor" is a successor-in-interest to the Customer or a Permitted Affiliate that is itself a Customer Affiliate that (directly or indirectly) controls, is controlled by, or is under common control with, Customer.

(D) Credits earned by the Customer under this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 33.172.6, below, and in the analogous sections of the other Concurrently Subscribed Contract Offers.

(E) Except as provided in Section 33.172.4(F), credits under this Contract Offer No. 172 are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's generally applicable tariffs.

(F) MARC-Eligible Services under this Contract Offer No. 172 may not be purchased pursuant to any pricing flexibility contract offer, broadband services agreement, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, other than the Concurrently Subscribed Contract Offers (any such precluded tariffs or agreements hereafter referred to as an "Other Commitment Agreement"), unless the Other Commitment Agreement expressly refers to this Contract Offer No. 172 and expressly permits the Customer or a Permitted Affiliate to purchase such services subject to both this Contract Offer No. 172 and the Other Commitment Agreement. The word "purchase," as used in the foregoing sentence refers to the Customer or Permitted Affiliate obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(G) Credits and waivers to be provided under this Contract Offer No. 172 will not be issued unless and until the Customer and the Permitted Affiliates have paid the billed charges for MARC-Eligible Services for the Subject Services and the Non-Subject Services due and owing as of the date the credits and waivers are issued (excluding amounts properly disputed), and is otherwise in material compliance with this Contract Offer No. 172; provided, however, a de minimis amount of past due billed charges, as compared to the total of such credits and waivers to be provided, shall not result in their non-issuance.

(H) Conditions to Other Credits.

To be eligible to earn any of the credits under Section 33.172.6(D) or DS1 Plan Credits under Section 33.172.6(E) with respect to a Quarter, Customer and its Permitted Affiliates must subscribe to DS1 High Capacity Service Portability Commitment (the "Portability Commitment") associated with the DS1 Term Payment Plan for the entirety of such Quarter using only Eligible ACNAs (except as noted below), except to the extent that the Telephone Company eliminates the DS1 Term Payment Plan or the DS1 High Capacity Service Portability Commitment and Customer and its Permitted Affiliates are not allowed to re-subscribe. The Customer and its Permitted Affiliates' initial Commitment Level (as that term is used in connection with the DS1 High Capacity Service Portability Commitment) for the Eligible ACNAs under the Portability Commitment will be set at the aggregate level of Customer's and its Permitted Affiliates' purchases of DS1 Channel Terminations under the Eligible ACNAs as of the date the Customer subscribes to this Contract Offer No. 172; provided however, that if the Customer and/or its Permitted Affiliates are subscribing to the Portability Commitment as of the effective date of this Contract Offer No. 172 (Existing Commitment) and all of their DS1 Channel Terminations are being purchased under Eligible ACNAs that are included under the Existing Commitment, then the Customer's initial commitment level will remain the same as it was on that date. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(H) Conditions to Other Credits (Cont'd)

Inclusion of an ACNA that is not an Eligible ACNA in an Existing Commitment shall not affect Customer's eligibility to earn any of the credits under Section 33.172.6(D) or DS1 Plan Credits under Section 33.172.6(E) with respect to a Quarter if, subject to the provision on inadvertent inclusion below, no services counted in the Existing Commitment in such Quarter are under such ACNA. Eligible ACNAs not included under a Portability Commitment may be added to a Portability Commitment, and the Portability Commitment may be modified, as permitted by PBTC FCC Tariff No. 1. Upon the expiration of a Portability Commitment during the Term Period, the Customer and its Permitted Affiliates must re-subscribe as provided in the first two sentences of this Section using only Eligible ACNAs, except that the Commitment Level will be set as of the effective date of re-subscription. Customer and its Permitted Affiliates shall not use any Eligible ACNAs not included in such Portability Commitment in purchasing DS1 Channel Terminations from the Telephone Company.
The DS1 High Capacity Service Portability Commitment is described in Sections 7.4.18 (E) of PBTC FCC Tariff No. 1.

Services purchased by or on behalf of any Customer Affiliate that is not a Permitted Affiliate, or purchased under an ACNA that is not an Eligible ACNA, may not be included in the Portability Commitment for Customer and its Permitted Affiliates. This Section does not preclude Customer and/or its Permitted Affiliates from subscribing and/or placing other ACNAs under one or more other, separate DS1 High Capacity Service Portability Commitments.

Any DS1 service inadvertently purchased under an ACNA in an Existing Commitment that is not an Eligible ACNA shall be transferred to an Eligible ACNA if the DS1 service is a MARC-Eligible Service. Any ACNA that is not an Eligible ACNA inadvertently included in a successor Portability Commitment shall be deemed deleted, and any DS1 service that is an MARC-Eligible Service shall be transferred to an Eligible ACNA. In either case, Customer will remain eligible for credits under Section 33.172.6(D) and DS1 Plan Credits under Section 33.172.6(E) for any affected Quarter. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(H) Conditions to Other Credits (Cont'd)

(1) The Customer and its Permitted Affiliates may, in their sole discretion, terminate any DS1 High Capacity Service Portability Commitment required by this Section as of the last day of the Term Period, without any charges arising from such termination, by providing written notice to the Telephone Company no later than thirty (30) days before the end of the Term Period.

(I) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 172.

(J) To be eligible to earn any of the credits under Sections 33.172.6(D) with respect to Quarter, no more than 27% of the gross billed monthly recurring charges (without regard to credits, discounts, or other adjustments) for interstate DS3 special access services purchased by the Customer and its Permitted Affiliates can be subject to a Fiber Advantage DS3 Rate Stability Payment Plan (RSPP) of 60 months or longer ("Percentage Cap"). If the Telephone Company no longer offers a RSPP of at least 60 months, the longest RSPP Custom Service Term Plan or its equivalent will be used to calculate compliance with the Percentage Cap (e.g., if a 48-month payment plan is the longest then-offered, the Percentage Cap will be calculated for interstate DS3 special access services with payment plans of 48 months or longer). Compliance with this condition will be determined at the end of such Quarter. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.4 Terms and Conditions (Cont'd)

(K) No credits or waivers shall be due if the Customer or any Permitted Affiliate has been notified in writing by any of the Qualifying Companies that it is in material breach of this Contract Offer No. 172 or another Concurrently Subscribed Contract Offer, or in material breach of any other terms and conditions governing the Subject Services or Non-Subject Services, including, without limitation, material breach of any amount due for Subject Services or Non-Subject Services, until such breach is cured or payment of past due amounts is made by the Customer or the Permitted Affiliates, as the case may be.

33.172.5 Minimum Annual Revenue Commitment (MARC)

(A) MARC Establishment

A MARC for each Term Year, as set forth in Table D, below, must be satisfied by MARC-Eligible Charges.

Table D

Term Year	**Minimum Annual Revenue Commitment**
Year 1	$545,500,000
Year 2	$545,500,000
Year 3	$545,500,000
Year 4	$545,500,000

(B) MARC Calculations

Satisfaction of the MARC shall be determined according to MARC-Eligible Charges (defined in Section 33.172.4(C)). MARC-Eligible Charges include charges for MARC-Eligible Services that were in service as of the Subscription Date, as well as those placed in service during the Term Period. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.5 Minimum Annual Revenue Commitment (MARC)

(C) Failure to Satisfy the MARC

If the Customer and its Permitted Affiliates fail to satisfy the MARC or a Year-to-Date MARC (as defined in Section 33.172.6(B)(1)), as the case may be, as determined in the Quarterly True-Up Process or the Annual True-Up Process, the Qualified Companies shall bill and the Customer shall pay the amount of the Quarterly Shortfall or Annual Shortfall (collectively, "Shortfalls"), as applicable, as provided in Sections 33.172.6(B) and (C), below. Any Shortfalls shall be divided among this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers in proportion to the MARC-Eligible Charges under the Concurrently Subscribed Contract Offers included in the applicable Shortfall calculation.

The Customer and the Qualified Companies shall complete the processes contemplated in the Quarterly True-Up and Annual True-Up, including making any payments or applying any credits resulting therefrom, within one hundred twenty (120) days from the end of the respective Quarter or Term Year.

33.172.6 Discounts and Other Credits

(A) Quarterly Credits

For each Quarter of a Term Year, the Customer is eligible for a single Quarterly credit under, collectively, this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers (each, a "Quarterly Credit").

The Qualified Companies will issue a single Quarterly Credit to the Customer for each Quarter during a Term Year.

Each Quarterly Credit would be in an amount equal to ten percent (10%) times the actual MARC-Eligible Charges for Subject Services and Legacy Non-Subject Services for such Quarter in a Term Year under this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers, not to exceed the applicable Quarterly Maximum Credit set forth in Table E, below, applicable to such Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.6 Discounts and Other Credits (Cont'd)

(A) Quarterly Credits (Cont'd)

Each Quarterly Credit shall be divided among this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers in proportion to the MARC-Eligible Charges for Subject Services and Legacy Non-Subject Services during the relevant Quarter under the Concurrently Subscribed Contract Offers. The Telephone Company will apply the portion of the Quarterly Credit associated with this Contract Offer No. 172 to the Customer's bill no later than sixty (60) days from the end of the Quarter to which the Quarterly Credit relates.

Table E

Term Year	Quarterly Maximum Credit
Year 1	$14,600,000
Year 2	$13,100,000
Year 3	$11,850,000
Year 4	$8,350,000

(B) Quarterly True-Up Process

(1) The Qualified Companies shall perform a MARC true-up calculation following each of the first three Quarters of each Term Year of this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers ("Quarterly True-Up Process"). To perform such calculations, the Qualified Companies shall determine the aggregate MARC-Eligible Charges for the MARC-Eligible Services, for the completed Quarters of the Term Year, plus any Quarterly Shortfall(s) (defined in Section 33.172.6(B)(2) and analogous provisions of the other Concurrently Subscribed Contract Offers) previously paid by the Customer under this Contract Offer No. 172 and any of the other Concurrently Subscribed Contract Offers for the completed Quarters of that Term Year (collectively, "Year-to-Date Revenue"), and shall compare that amount to the Year-to-Date MARC. The Year-to-Date MARC shall be defined as the product of one-fourth of the MARC times the number of Quarters included in each Quarterly True-Up Process. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.6 Discounts and Other Credits (Cont'd)

(B) Quarterly True-Up Process (Cont'd)

(2) If, based on the Quarterly True-Up Process, the Year-to-Date Revenue is less than the Year-to-Date MARC, the Qualified Companies will bill and the Customer will pay the amount equal to the difference between the Year-to-Date MARC and the Year-to-Date Revenue ("Quarterly Shortfall"). Any Quarterly Shortfall will be allocated among the Qualified Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Quarter.

(C) Annual True-Up Process

(1) In calculating the MARC-Eligible Charges for a Term Year ("Current Term Year"), any Eligible Charges excluded from the Annual True-Up Process for a prior Term Year due to Section 33.172.4(C)(4) ("Previously Withheld Charges") will be included to the extent that payment is received during the Current Term Year for any such Previously Withheld Charge which has been finally resolved between the parties during the Current Term Year (a "Dispute Resolution Adjustment"). Payment of a Previously Withheld Charge without such a final resolution between the parties shall not result in a Dispute Resolution Adjustment. Payment by Customer and/or any Permitted Affiliate of a previously disputed and withheld charge shall result in a waiver of any right to re-dispute such charge and/or withhold any amount with respect to such charge, and is an example of the type of final resolution contemplated in the previous sentence. In no event will the aggregate Dispute Resolution Adjustments for any Term Year exceed $5,000,000 ("DR Cap"), provided, that any excess may be carried forward for use only in the next Term Year (which excess shall be counted against the DR Cap for such next Term Year). There shall be no carry-back of any excess Dispute Resolution Adjustments to any prior Term Year. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.6 Discounts and Other Credits (Cont'd)

(C) Annual True-Up Process (Cont'd)

(2) If, at the end of a Term Year, the MARC-Eligible Charges (ignoring any Quarterly Shortfall(s) previously paid by the Customer for that Term Year) are equal to, or greater than, the MARC for that Term Year, the Telephone Company will issue a credit for any Quarterly Shortfall(s) previously paid by the Customer for that Term Year (Reversing Credit).

(3) If, at the end of a Term Year, the amount of the MARC-Eligible Charges plus any Quarterly Shortfall(s) previously paid for that Term Year is less than the MARC for that Term Year, the Qualified Companies shall bill, and the Customer shall pay an amount equal to the difference between (a) the MARC, and (b) the MARC-Eligible Charges plus any Quarterly Shortfall(s) paid for that Term Year ("Annual Shortfall"). Any Annual Shortfall will be allocated among the Qualified Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year.

(4) If at the end of a Term Year, (a) the MARC-Eligible Charges are less than the MARC for that Term Year, but (b) the MARC-Eligible Charges plus any Quarterly Shortfall(s) previously paid by the Customer under this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers for that Term Year are greater than the MARC for that Term Year, then the Qualified Companies will issue a credit for the difference between (c) the MARC-Eligible Charges plus any Quarterly Shortfall(s) for that Term Year, less (d) the MARC for that Term Year. Any such credits will be allocated among the Qualified Companies according to the amount of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Quarter. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.6 Discounts and Other Credits (Cont'd)

(D) Termination Liability Credit. The Telephone Company will bill, and the Customer and its Permitted Affiliates shall pay, termination liability charges in accordance with applicable tariffs. The Telephone Company will issue credits in an aggregate amount that is equal to such termination liability charges due from the Customer and its Permitted Affiliates for order activity relating to interstate DS1 and/or DS3 Subject Services under Eligible ACNAs that are located in pricing flexibility MSAs that occurs during a Term Year if such DS1 or DS3 Subject Service meets all of the following conditions (each, a Qualifying Termination Charge):

(1) Such Subject Service must not have been disconnected by the Telephone Company as a result of a breach of the applicable Tariffs; and

(2) Any such DS1 Subject Service must have been in-service not less than thirty (30) days; and

(3) Any such DS3 Subject Service must have been in-service not less than one (1) year; and

(4) Any such DS1 or DS3 Subject Service must not have received a termination liability credit under another revenue-based or volume-based offer, or otherwise received a waiver of such termination liability charge or other credit in an amount equal to such termination liability charge.

By way of example only, if Customer submitted a disconnect order for an interstate DS1 Subject Service prior to the beginning of Term Year 1 and disconnection occurred during a Term Year, any termination liability charges could not constitute a Qualifying Termination Charge. By way of further example, if Customer submitted a disconnect order for an interstate DS3 Subject Service prior to the expiration of the Term Period and disconnection occurred after such expiration, any termination liability charges would constitute a Qualifying Termination Charge if the conditions in items (1) through (4) were all met. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.6 Discounts and Other Credits (Cont'd)

(D) Termination Liability Credit (Cont'd)

Any credits due under this Section for Qualifying Termination Charges billed in a Quarter will be issued during the second calendar month after such Quarter.

This Section shall not result in any credit for a termination liability charge such that Customer and/or its Permitted Affiliate receives more than the amount paid to satisfy the termination liability charge.

(E) DS1 Plan Credits. The Telephone Company will provide credits in an amount equal to any charges that apply as a result of Customer and its Permitted Affiliates failing to maintain the a number of Channel Terminations under the Eligible ACNAs equal to at least 80% of the Commitment Level (except for any such charges attributable to circuits disconnected by the Telephone Company as a result of a breach of the applicable Tariffs) or any adjustment factor (as that term is used in connection with the DS1 High Capacity Service Portability Commitment) that applies as a result of Customer and its Permitted Affiliates exceeding under the Eligible ACNAs 124% of the Commitment Level. Any such credit shall be applied to invoices for Subject Services, and will be issued during the second calendar month after the end of the Quarter in which such charges are billed. With respect to the application of the prior sentence to the last Quarter in the Term Period, the credit due for charges billed in the last Quarter will be made after expiration of the Term Period. In addition, such charges incurred in the final month of the Term Period which are subsequently billed after expiration of the Term Period, will be credited in the second month after the billing of such charges, notwithstanding the fact that the Term Period has expired. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.6 Discounts and Other Credits (Cont'd)

(F) Customer shall be issued a single, one-time credit by the Qualifying Companies in the amount of $47,470,000, which will be divided among the Qualifying Companies and each portion issued during the second month of Term Year 1.

33.172.7 Assignment/Transfer/Successors

(A) This Contract Offer No. 172 may not be assigned or otherwise transferred, in whole or in part, by either party, except as provided in this Section or as a result of a divestiture described in Section 33.172.8 (in which case Section 33.172.8 will apply).

(B) Subject to the other requirements in this Contract Offer No. 172, this Contract Offer No. XXX and the other Concurrently Subscribed Contract Offers may only be assigned or otherwise transferred:

(i) together and in their entirety, to any person or entity only with the prior written consent of the other party, which shall not be unreasonably withheld, or

(ii) in part, only as part of a transaction described in Section 33.172.8.

(C) Notwithstanding Section 33.172.7(B), Customer shall have the right, without the consent of but with prior notice to the Qualifying Companies for determination of credit worthiness, to assign or otherwise transfer all of the Concurrently Subscribed Contract Offers in their entirety at the same time to a single Permitted Affiliate, so long as that Permitted Affiliate otherwise qualifies under the Concurrently Subscribed Contract Offers. Upon any such assignment or other transfer to such a Permitted Affiliate, Customer shall thereafter be considered a Permitted Affiliate. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.7 Assignment/Transfer/Successors (Cont'd)

(D) Subject to the provisions of Sections 33.172.7(B) and (C),

(i) any assignee or other transferee of the Concurrently Subscribed Contract Offers in its entirety (including any Permitted Affiliate) from Customer must demonstrate credit worthiness under both (1) and (2), below (and if (1) and (2) are not applicable, then (3), below shall apply); and

(ii) neither the proposed assignee or transferee nor its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it) at any time during the Term Period.

(1) Any debt securities of the proposed assignee or transferee or any parent (defined in this Contract Offer No. 172 as any entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(b) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.7 Assignment/Transfer/Successors (Cont'd)

(D) (ii) (Cont'd)

(3) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (1) or (2) of this Section 33.172.7(D) is not available, the Qualifying Companies shall exercise their reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available.

(E) Any assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 172. Any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 172. Further, notwithstanding Section 33.172.7(B), the Telephone Company may also, without the Customer's consent, assign its rights and obligations under this Contract Offer No. 172 to an Affiliate with notice to Customer, or subcontract to an Affiliate or a third party work to be performed under this Contract Offer No. 172. For avoidance of doubt, except as provided in Section 33.172.8, any and all credit and MARC calculations under the Concurrently Subscribed Contract Offers shall be performed in same manner and with the same data irrespective of the parties to the Concurrently Subscribed Contract Offers.

(F) The assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 172 and/or its obligations hereunder.

(G) Any assignment or other transfer of this Contract Offer No. 172 or the rights or obligations hereunder, or any attempt to do either, in violation of this Section or Section 33.172.8 shall be void. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.8 Mergers/Acquisitions and Sales/Divestitures

(A) Subject to Sections 33.172.8(B), (C) and (D), all provisions of this Contract Offer No. 172 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger of another entity with Customer or any Customer Affiliate, or the acquisition by the Customer and/or any Customer Affiliate of another company or a portion of the business of another company (including, but not limited to, any ACNA that is not an Eligible ACNA) (the "Acquired Property"), if the Acquired Property purchases any service from the Telephone Company, such service shall not be included in the Concurrently Subscribed Contract Offers for any purpose (including without adding any services or charges attributable to expansion of Customer's and/or any Permitted Affiliate's purchase of any services from the Telephone Company through an Acquired Property), nor shall any credits or waivers be due or issued hereunder that are attributable or associated with such service or such Acquired Property. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. Purchases by the Acquired Property shall not be part of any calculation hereunder, including, without limitation, as a MARC-Eligible Service, as generating MARC-Eligible Charges, to determine achievement of the MARC, in fulfilling the commitment set forth in this Contract Offer No. 172, or be eligible for any credits or waivers under this Contract Offer No. 172. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(A) (Cont'd)

If Customer violates the provisions of this Section 33.172.8(A), then (without limiting any right the Qualifying Companies might otherwise have to terminate this Contract Offer No. 172 and the other Concurrently Subscribed Contract Offers):

(i) Customer shall notify the Telephone Company promptly upon the occurrence of such violation, or the Telephone Company, upon discovering the violation on its own, shall issue its own notice to Customer (either notice, a "Violation Notice"). Such a violation will be deemed to occur if (a) Customer or any Permitted Affiliate assigns any Eligible ACNAs to any existing MARC-Eligible Services purchased through an Acquired Property as of the closing of the acquisition of the Acquired Properties, or (b) Customer or any Permitted Affiliate disconnects any MARC-Eligible Services purchased under an ACNA of the Acquired Property and then re-purchases that same MARC-Eligible Service for the same end-user location under an Eligible ACNA; provided, however, that any such activity performed solely to reflect changes in services ordered by Customer's (or its Permitted Affiliate's) end user shall not be deemed a violation of this provision.

(ii) Upon a Violation Notice provided by either party, Customer and/or its Permitted Affiliates must promptly, and no later than sixty (60) days after the date of the Violation Notice, complete such activities in cooperation with the Telephone Company to exclude the Acquired Properties from the Concurrently Subscribed Contract Offers and to ensure such exclusion continues prospectively. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 - Access Service Offer (Cont'd)

33.172.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(A) (Cont'd)

(iii) In the event of a Violation Notice provided by either party, the Telephone Company shall calculate the effect of the violation (such effect may include, but is not limited to, any difference in charges paid by Customer, any Permitted Affiliate, or the Acquired Property as a result of the violation, any avoidance of shortfall or overage charges under the Tariffs as a result of the violation, any credits or waivers of termination liability charges as a result of the violation, and any avoidance of Shortfalls that Customer would have been required to pay had the Acquired Properties been excluded) for the period during which the violation occurred and for such time as the violation continues prospectively until cured ("Unearned Economic Benefit"). Customer, upon being billed by the Telephone Company, shall pay the Telephone Company the amount of such Unearned Economic Benefit plus: (a) in a case where Customer provided the Telephone Company the Violation Notice, interest at one percent (1.0%) per month for any period during which the violation resulted in Customer receiving an Unearned Economic Benefit, and (b) in a case where the Telephone Company provided Customer the Violation Notice, interest at three percent (3.0%) per month for any period during which the violation resulted in Customer and/or any Permitted Affiliate receiving an Unearned Economic Benefit. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(B) If, during the Term Period, any entity included in the definition of Qualifying Companies is no longer an Affiliate of the other entities included within such definition (a "Divested Entity or Entities"), then as of the closing date(s) of the relevant transaction(s), the Concurrently Subscribed Contract Offers shall be administered and enforced, and any rights or obligations of any party shall apply, separately to: (i) the Qualifying Companies (if any) that continue to be Affiliates (the "Remaining AT&T ILECs"), and (ii) the Divested Entity or Entities, after taking into account such relevant transaction(s). In particular, but without limitation, the MARCs, the Quarterly Maximum Credits and the Quarterly Credits will be pro-rated between the Remaining AT&T ILECs, and the Divested Entity or Entities in proportion to the amount of the MARC-Eligible Charges (as defined in the Concurrently Subscribed Contract Offers) billed by the Remaining AT&T ILECs and by the Divested Entity or Entities, for the three full calendar months immediately prior to the Transaction Close Date of the relevant transaction(s). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(C) If, during the Term Period, any transaction results in a portion of any entity included in the definition of Qualifying Companies being sold or otherwise transferred to a Non-Affiliate of such entity ("Acquirer"), then subject to a partial assignment of the Concurrently Subscribed Contract Offer applicable to such entity, as of the closing date(s) of the relevant transaction(s), the Concurrently Subscribed Contract Offers shall be administered and enforced, and any rights or obligations of any party shall apply, separately to: (i) the Qualifying Companies (including their remaining portions) (if any) that continue to be Affiliates ("Remaining AT&T Properties"), and (ii) the Acquirer, after taking into account such relevant transaction(s). In particular, but without limitation, the MARCs, the Quarterly Maximum Credits and the Quarterly Credits will be pro-rated between the Remaining AT&T Properties and the Acquirer in proportion to the amount of the MARC-Eligible Charges billed for MARC-Eligible Services (1) remaining with the Remaining AT&T Properties, and (2) that would be provided by the Acquirer, for the three full calendar months immediately prior to the Transaction Close Date of the relevant transaction(s). However, if, despite commercially reasonable efforts, pursued in good faith, the Acquirer refuses to accept partial assignment of the Concurrently Subscribed Contract Offer, then the MARCs, the Quarterly Maximum Credits and the Quarterly Credits between the Remaining AT&T Properties and Customer under the other Concurrently Subscribed Contract Offers shall be reduced to reflect the proportional reduction in the amount of the MARC-Eligible Charges billed for MARC-Eligible Services that will be provided by the Remaining AT&T Properties immediately following the Transaction Close Date of the relevant transaction(s). (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

(D) If, during the Term, Customer and/or any of the Permitted Affiliates (collectively, "Customer Group") (or any portion of any of them, for example, in the event of an asset sale) no longer is an Affiliate of or Affiliated with, or (as in the case of an asset sale) otherwise part of, entities included within the Customer Group, then as of the closing date(s) of the relevant transaction(s), the Concurrently Subscribed Contract Offers shall be administered and enforced, and any rights or obligations of any party shall apply, only to the entities and portions thereof remaining in the Customer Group (the "Remaining Customer Entities"), after taking into account such relevant transaction(s). In particular, but without limitation, the MARCs, the Quarterly Maximum Credits and the Quarterly Credits, will be reduced to reflect the proportional reduction to the amount of the MARC-Eligible Charges billed for MARC-Eligible Services that will be provided by the Qualified Companies to the Remaining Customer Entities immediately following the Transaction Close Date of the relevant transaction(s).

(E) This Contract Offer No. 172 shall not apply to any ACNA listed in the Customer's written notice of subscription that is assigned or otherwise transferred. Sections 33.172.7(D) and (F) shall not apply to any partial assignment implemented in connection with a divestiture under this Section, and neither the partial assignor nor transferor shall have any remaining responsibility for the prospective performance of the Concurrently Subscribed Contract Offers and/or its obligations thereunder by the assignee or transferee, except to the extent otherwise expressly set forth in the documentation implementing said partial assignment. Any assignment or other transfer under Section 33.172.8(B), (C) or (D) shall only have prospective effect from the Transaction Close Date of the relevant transaction, including that such assignment or other transfer shall not relieve any of the parties from its obligations or liabilities attributable to the period prior to the Transaction Close Date. A party shall provide written notice to its planned partial assignment or other transfer under Section 33.172.8(B), (C) or (D) not less than thirty (30) days prior to the anticipated Transaction Close Date of the relevant transaction. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.9 Termination

(A) Termination for Convenience. Customer may terminate all, but not less than all, of the Concurrently Subscribed Contract Offers at any time upon not less than ten (10) days' written notice to the Qualified Companies.

(B) If any of the Concurrently Subscribed Contract Offers is terminated for any reason other than due to the material breach by a Qualifying Company, all of the other Concurrently Subscribed Contract Offers will also automatically and simultaneously terminate.

(C) In the event of the termination of the Concurrently Subscribed Contract Offers as described in Section 33.172.9(A) or 33.172.9(B), the MARC for the Term Year, the Quarterly Maximum Credits and the Quarterly Credit for the Quarter, in which the effective date of termination occurs will be pro-rated to such effective date, and the Annual True-Up Process will be used to determine fulfillment of such pro-rated MARC, with all calculations made with reference to such termination effective date (including the amount of MARC-Eligible Charges, and any MARC Shortfalls). Any such termination shall not affect any credits or waivers due prior to the effective date of termination.

(D) If this Contract Offer No. 172 is terminated due to a material breach by the Telephone Company, any credits under Section 33.172.6(D) would be limited to order activity prior to the effective date of termination, and any credit under Section 33.172.6(E) for the month in which such termination occurs would be pro-rated to the effective date of such termination. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.9 Termination (Cont'd)

(E) If any of the Concurrently Subscribed Contract Offers is terminated due to a material breach by a Qualifying Company, the Quarterly Credit and Quarterly Maximum Credits for the Quarter, and the MARC for the Term Year, in which the effective date of termination occurs will each be reduced, based upon such termination effective date and the proportions of the amount of the MARC-Eligible Charges billed for the period of the three full calendar months immediately prior to such termination by the Qualifying Companies that have effective Concurrently Subscribed Contract Offers, and by such terminated Qualifying Company. The Quarterly Maximum and Credits Quarterly Credits applicable to subsequent Quarters, and the MARCs applicable to subsequent Term Years, will each be reduced, based on the proportions of the amount of the MARC-Eligible Charges billed for the period of the three full calendar months immediately prior to such termination by the Qualifying Companies that have effective Concurrently Subscribed Contract Offers, and by such terminated Qualifying Company.

(F) (1) If any portion of Section 33.172.3, Section 33.172.4, Section 33.172.5, or Section 33.172.6 of this Contract Offer No. 172 is found to be invalid, unenforceable, or otherwise contrary to applicable law, the Telephone Company or the Customer may, in its respective sole discretion, terminate this Contract Offer No. 172 upon (10) days' written notice to the other.

(2) If any portion of this Contract Offer No. 172 not addressed by Section 33.172.9(F)(1) is found to be invalid, unenforceable, or otherwise contrary to applicable law, the remaining provisions of this Contract Offer No. 172 will remain in effect. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.9 Termination (Cont'd)

(G) After a transaction to which Section 33.172.8(B) or (C) applies,

(1) the termination of this Contract Offer No. 172 solely applicable to any portion of the Telephone Company remaining under the control of AT&T Inc. will not terminate this Contract Offer No. 172 as it applies to any Divested Entity or Entities, and

(2) the termination of this Contract Offer No. 172 solely applicable to any Divested Entity or Entities will not terminate this Contract Offer No. 172 as it applies to any portion of the Telephone Company remaining under the control of AT&T Inc.

(H) Termination for Persistent MARC Shortfalls. If, pursuant to the Quarterly Review described in Section 33.172.5(C), above, the Qualified Companies determines that for two (2) consecutive Quarters the MARC-Eligible Charges are less than $129,556,250, then the Qualified Companies in their sole discretion may, but shall not be required to, terminate the Concurrently Subscribed Contract Offers by providing written notice of termination to Customer within ninety (90) days after the end of the last of such two (2) consecutive Quarters. Such a termination shall not alter Customer's obligation to pay any Shortfall charges due hereunder (including any Quarterly Shortfall), or the Qualified Companies' obligation to issue any credits or waivers due under the Concurrently Subscribed Contract Offers for the period up until the date of termination. For avoidance of doubt, (a) the Quarterly Credit attributable to the last of such two (2) consecutive Quarters shall be due, and the Quarterly Shortfall owed for such Quarter shall be paid, and (b) termination under this Section shall not be considered to be a result of any material breach by Customer or any Permitted Affiliate. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.172 Contract Offer No. 172 – Access Service Offer (Cont'd)

33.172.10 Effect of Contract Offer No. 172 on Any Grandfathering or Sunsetting of Subject Services or Non-Subject Service

Nothing in this Contract Offer No. 172 shall prevent the Telephone Company or any other Qualified Company from terminating the provision of Subject Services or Non-Subject Services, in part or in their entirely, prior to the end of the Term Period, to the extent permitted by applicable law provided that if any such action has the effect of materially reducing the Customer's and its Permitted Affiliates' MARC-Eligible Charges, the MARC, Quarterly Maximum Credits and Quarterly Credits shall be reduced in proportion to such reduction in the Customer's and its Permitted Affiliates' MARC-Eligible Charges. The Telephone Company and the Customer will meet and confer as necessary to determine the amount of such reduction. (N)

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33. Pricing Flexibility Contract Offerings (N)

33.173 Contract Offer No. 173 – Access Service Offer

33.173.1 General Description (N)

This Special Access Service Offer (Contract Offer No. 173) is a Spend Plan for which concurrent subscription is required to this Contract Offer and the following Contract Offers: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 223; Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 37, Contract Offer No. 173; BellSouth Telecommunications, LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 88; and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 193 (collectively, with this Contract Offer No. 173, Concurrently Subscribed Contract Offers). Ameritech, NBTC, BellSouth and SWBT, with Pacific Bell Telephone Company ("Telephone Company") shall be identified herein as, collectively, the "Qualified Companies." (Nx)

Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 173 and the other Concurrently Subscribed Contract Offers, the Concurrently Subscribed Contract Offers allows eligible Customers to earn credits based upon its level of Spend-Eligible Charges ("Spend"), as defined in the Concurrently Subscribed Contract Offers. The Spend calculation reflects certain recurring revenue from, in the aggregate, all Spend-Eligible Services purchased from the Telephone Company, as set forth in in this Contract Offer No. 173, and certain services purchased from the other Qualified Companies, as set forth in the other Concurrently Subscribed Contract Offers. Contract Offer No. 173 will be available for subscription only from January 29, 2016 through February 28, 2016. This offer is not renewable. (N)

33.173.2 Subject and Non-Subject Services

"Spend-Eligible Services" consist of both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Telephone Company and located within the operating territory of the Telephone Company, as described in PBTC Tariff F.C.C. No. 1, Section 14 (Operating Territory), except that in no event shall any services connecting to cell sites, mobile telecommunications switching offices (MTSOs), or mobile switching centers (MSCs) be considered Spend-Eligible Services. Spend-Eligible Charges include charges for Spend-Eligible Services that were in service as of the Subscription Date, as well as those placed in service during the Term Period. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.2 Subject and Non-Subject Services (Cont'd)

(A) Subject Services
Subject Services are pricing flexibility qualified access services or rate elements listed in Table A, below. Subject Services are subject to all rates, terms and conditions of this Contract Offer.

Table A – Subject Services as referenced in 33.173.4 (A).

Category	Services Included
Interstate Special Access located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	All Voice Grade (VG), DS0, DS1 and DS3 special access services or rate elements that are eligible for pricing flexibility

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below. Non-Subject Services are included in Spend calculations, but are not otherwise subject to the rates, terms or conditions of this Contract Offer No. 173.

Table B – Non-Subject Services

Category	Services Included
Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs) and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief.	Any VG, DS0, DS1, and DS3 special access services and rate elements not listed in Table A
Intrastate Special Access	Intrastate services equivalent to the interstate services listed above as either Subject Services or Non-Subject Services

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.2 Subject and Non-Subject Services (Cont'd)

(C) All terms and conditions for those Spend-Eligible Services that are tariffed are governed by their respective tariff sections, except as otherwise provided in this Contract Offer No. 173. All terms and conditions for those Spend-Eligible Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

(D) No service purchased by Customer, or any of its Qualifying Affiliates, for the provision of Wireless Telecommunications Services, shall constitute a Subject Service or Non-Subject Service under this Contract Offer No. 173.

(E) Subject Services and Non-Subject Services shall also include any additional similar or successor services which are subsequently provided by the Telephone Company and were not available as of the effective date of this Contract Offer No. 173.

33.173.3 Definitions

As used in this Contract Offer No. 173,

(A) "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.

(B) A "Permitted Successor" is a successor-in-interest to the Customer or a Qualifying Affiliate that is itself an Affiliate of Customer.

(C) A "Qualifying Affiliate" means any Customer Affiliate (as Customer Affiliates exist on the Subscription Date) that meets any of the following:

(1) is a telecommunications carrier under applicable federal or state law; or

(2) has an assigned ACNA; or (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.3 Definitions (Cont'd)

(C) (Cont'd)

(3) is purchasing for resale or using an input into another service being offered or otherwise provided to non-Affiliates (a) any of the services in Table A or Table B, above, or (b) any interstate broadband services provided by any of the Qualified Companies;[1] or

(4) is a customer of record with any of the Qualified Companies for (a) any of the services in Table A or Table B, above, or (b) any interstate broadband services provided by any of the Qualified Companies.

(D) "Term Month" means a full calendar month during the Term Period. However, except the partial month from the Subscription Date until the end of the calendar month in which the Subscription Date occurs, the partial month at the start of a Measuring Period and the partial month at the end of the Measuring Period will each be a Term Month.

(E) "Wireless Telecommunications Services" means wireless radio services, whether fixed or mobile, and are subject to regulation on a common carrier basis under federal law.

[1] Interstate OCN PTP, DSRS, GigaMAN,® DecaMAN,® OPT-E-MAN®, BellSouth Metro Ethernet Service, AT&T Switched Ethernet, WaveMAN, BellSouth Wavelength Service, BellSouth Wavelength Dedicated Ring Service, BellSouth Wavelength Channel Service, and AT&T Dedicated Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook and http://cpr.att.com/pdf/commonEthServGuide.html. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.4 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 173:

(A) Contract Offer No. 173 is available for qualified special access services located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31 and Phase I pricing flexibility in those additional MSAs listed below. During the Term Period of this Contract Offer No. 173, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 31 at the time of subscription, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer No. 173.

Phase I – All Rate Elements (Including Channel Terminations):

Oxnard-Ventura, CA	Sacramento, CA	San Diego, CA	Santa Rosa, CA
Stockton, CA			

Phase I – Rate Elements other than Channel Terminations

Non-MSA, CA			

(B) During November 2015, the Customer and its Permitted Affiliates must have purchased from the Qualified Companies services included among the Subject Services and Non-Subject Services under this Contract Offer No. 173 and under the other Concurrently Subscribed Contract Offers, which services must have resulted in charges equivalent to those included in the Spend-Eligible Charges (as defined in the Concurrently Subscribed Contract Offers) in an aggregate amount of not less than $13,750,000 and not greater than $15,250,000. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.4 Eligibility Criteria (Cont'd)

(C) At the end of November, 2015, the Customer and its Qualifying Affiliates must have had in-service with the Qualified Companies all of the following:

(1) no fewer than 47,000 interstate DS1 special access services with a local channel but no more than 52,000 interstate DS1 special access services with a local channel, that would qualify as Spend-Eligible Services, and

(2) no fewer than 2,200 interstate DS3 special access services with a local channel or multiplexers used with Interstate DS1 special access services but no more than 2,500 interstate DS3 special access services with a local channel or multiplexers used with Interstate DS1 special access services, that would qualify as Spend-Eligible Services.

(D) Neither Customer nor its Qualifying Affiliates can be a provider of Wireless Telecommunication Services.

(E) As of the Subscription Date, neither the Customer nor its Qualifying Affiliates may be purchasing from the Telephone Company interstate or intrastate special access services from the Telephone Company pursuant to any pricing flexibility contract offer intrastate "ICB" contract or other individually negotiated arrangement that includes any minimum volume or revenue commitment, other than any contract offer that will be terminated upon the Customer's subscription to this Contract Offer No. 173.

(F) The number of special access services channel termination components and local channel components purchased by the Customer and its Qualifying Affiliates from the Qualified Companies must not have decreased from the period from November 2014 through April 2015, inclusive (Period A), to the period from May 2015, through October 2015 (Period B), inclusive, by more than 1.3%. The foregoing will be determined by aggregating the number of in-service components at the end of each calendar month for Period A and comparing that number to the aggregate number of in-service components at the end of each calendar month for Period B. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.4 Eligibility Criteria (Cont'd) (N)

(G) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to the following Contract Offers ("Concurrently Subscribed Contract Offers"): (Nx)

- NBTC Tariff F.C.C. No. 1, Contract Offer No. 37;
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 173;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 193;
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 223; and
- BellSouth Tariff F.C.C. No. 1, Contract Offer No. 88. (Nx)

33.173.5 Terms and Conditions (N)

The following Terms and Conditions apply to this Contract Offer No. 173:

(A) Subscription.

To subscribe to Contract Offer No. 173, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS must encompass Customer and all of its Qualifying Affiliates, and Customer must include, in the LOS, all Access Customer Name Abbreviations (ACNAs) used by Customer and its Qualifying Affiliates ("Eligible ACNAs"). The Eligible ACNAs must be identical to the ACNAs submitted in each written notice of such subscription submitted for each of the other Concurrently Subscribed Contract Offers. Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 173. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.5 Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer No. 173 ("Term Period") shall begin on the date that Customer submits a valid and executed Letter of Subscription (LOS) to the Telephone Company ("Subscription Date"), and shall end on June 20, 2017, subject to an extension as provided in this Section.

This Contract Offer No. 173 and the other Concurrently Subscribed Contract Offers may be extended by Customer for up to one (1) consecutive one-year extension periods by providing the Telephone Company and the other Qualified Companies with written notice of such exercise at least ninety (90) days prior to the then-applicable expiration date of the Term Period. If such notice is not received by such date, the Term Period will end on the following June 20th.

(C) During the Term Period, the Customer and its Qualifying Affiliates (as each exists on the Subscription Date), in the aggregate, must meet each of the following criteria on the last day of each Measuring Period for purchases of Subject and Non-Subject Services from the Qualified Companies. The Term Period of this Contract Offer No. 173 may not be extended unless the term periods of all of the other Concurrently Subscribed Contract Offers are identically extended (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.5 Terms and Conditions (Cont'd)

(C) (Cont'd)

Measuring Period	DS1 Volume Commitment	DS3 Volume Commitment
Period 1 Subscription Date - February 29, 2016	No less than 44,563 in-service interstate and intrastate DS1 channel termination rate elements for local channels being purchased from the Qualified Companies on February 29, 2016.	No less than 2,337 in-service interstate and intrastate DS3 channel termination rate elements for local channels and multiplexers being purchased from the Qualified Companies on February 29, 2016.
Period 2 March 1, 2016-June 20, 2016	No less than ninety percent (90%) of the aggregate number of in-service interstate and intrastate DS1 channel termination rate elements for local channels being purchased from the Qualified Companies on. February 29, 2016,	No less than ninety percent (90%) of the aggregate number of the in-service interstate and intrastate DS3 channel termination rate elements for local channels and multiplexers being purchased from the Qualified Companies on February 29, 2016.
Period 3 June 21, 2016-June 20, 2017	No less than ninety percent (90%) of the aggregate number of in-service interstate and intrastate DS1 channel termination rate elements for local channels being purchased from the Qualified Companies on June 20, 2016.	No less than ninety percent (90%) of the aggregate number of the in-service interstate and intrastate DS3 channel termination rate elements for local channels and multiplexers being purchased from the Qualified Companies on June 20, 2016.
Period 4 Optional 1 June 21, 2017-June 20, 2018	No less than ninety percent (90%) of the aggregate number of in-service interstate and intrastate DS1 channel termination rate elements for local channels being purchased from the Qualified Companies on June 20, 2017.	No less than ninety percent (90%) of the aggregate number of the in-service interstate and intrastate DS3 channel termination rate elements for local channels and multiplexers being purchased from the Qualified Companies on June 20, 2017

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.5 Terms and Conditions (Cont'd)

(C) (Cont'd)

(i) If the DS1 Volume Commitment is not met for any Measuring Period, the Telephone Company will bill, and the other Qualified Companies will bill under the Concurrently Subscribed Contract Tariff Offers, and Customer shall pay, a volume shortfall charge equal to (i) the difference between that Measuring Period's DS1 Volume Commitment less the actual in-service interstate and intrastate DS1 special access circuits ("DS1 Shortfall"), times the number of months in the Measuring Period times $175.00 (the "DS1 Shortfall Charge"). The DS1 Shortfall Charge billed by each Qualified Company will be in proportion to the number of in-service interstate and intrastate DS1 channel termination rate elements for local channels being purchased from the Qualified Company on the last day of the Measuring Period to the aggregate number of such services being purchased from all Qualified Companies in that date.

(ii) If the DS3 Volume Commitment is not met for any Measuring Period, the Telephone Company will bill, and the other Qualified Companies will bill under the Concurrently Subscribed Contract Tariff Offers, and Customer shall pay, a volume shortfall charge equal to (i) the difference between that Measuring Period's DS3 Volume Commitment less the actual in-service interstate and intrastate DS3 special access circuits, times the number of months in the Measuring Period times $650.00 (the "DS3 Shortfall Charge"). The DS3 Shortfall Charge billed by each Qualified Company will be in proportion to the number of in-service interstate and intrastate DS3 channel termination rate elements for local channels and multiplexers being purchased from the Qualified Company on the last day of the Measuring Period to the aggregate number of such services being purchase from all Qualified Companies in that date. (The DS1 Shortfall Charge and the DS3 Shortfall Charge are collectively, the "Volume Shortfalls" and each a "Volume Shortfall".) (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.5 Terms and Conditions (Cont'd)

(C) (Cont'd)

(iii) Failure to pay any Volume Shortfall shall be deemed a material breach of this Contract Offer No. 173.

(iv) If at the end of any Measuring Period, the DS1 Volume Commitment and/or DS3 Volume Commitment have not been met, the Telephone Company shall take into account any valid pending orders for the installation and/or disconnection of interstate and intrastate DS1 or DS3 special access circuits that were submitted and not installed during that Measuring Period in determining any Volume Shortfall.

(v) If any orders taken into account pursuant to Section 33.173.5.C(iv) are cancelled and, as a result, the DS1 Volume Commitment or DS3 Volume Commitment has then not been met for the Measuring Period, Customer will be charged the applicable Volume Shortfall for that Measuring Period.

(D) Credits earned under this Contract Offer No. 173 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 33.173.6, below, and in the analogous sections of the other Concurrently Subscribed Contract Offers.

(E) Except as provided in Section 33.173.5(F), credits earned under this Contract Offer No. 173 are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's generally applicable tariffs or other Telephone Company contract offers. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.5 Terms and Conditions (Cont'd)

(F) Spend-Eligible Services under this Contract Offer No. 173 may not be purchased pursuant to any pricing flexibility contract offer, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, other than the Concurrently Subscribed Contract Offers (any such precluded tariffs or agreements hereafter referred to as an "Other Commitment Agreement"), unless the Other Commitment Agreement expressly refers to this Contract Offer No. 173 and expressly permits the Customer to purchase such services subject to this Contract Offer No. 173 and such Other Commitment Agreement. The word "purchase," as used in the foregoing sentence, refers to the Customer or any of its Affiliates obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed.

(G) Credits to be provided under this Contract Offer No. 173 will not be issued unless and until the Customer and/or its Qualifying Affiliates have paid all billed charges for Spend-Eligible Services due and owing to the Qualified Companies as of the date the credits are issued (excluding amounts disputed and withheld in accordance with the applicable Qualified Company's dispute process), and are otherwise in material compliance with the Concurrently Subscribed Contract Offers.

(H) During the Term Period, Customer and/or any of its Qualifying Affiliates must purchase all interstate DS1 special access services from the Telephone Company subject to a Portability Commitment, as defined in Section 33.173.6(B), below. Failure to do so would be a material breach of this Contract Offer No. 173, which would allow the Telephone Company to terminate this Contract Offer No. 173. If, however, Customer inadvertently fails to order Special Access Services subject to a Portability Commitment, Customer shall be permitted to cure such failure. (N)

33. Pricing Flexibility Contract Offerings (Cont'd)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.5 Terms and Conditions (Cont'd)

(I) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of PBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 173.

33.173.6 Credits and Waivers

(A) Spend Credits

"Spend-Eligible Charges" means the billed recurring and non-recurring charges, after application of any (N)
discounts or credits applicable to those recurring
and non-recurring revenues (except those issued (N)
under this Contract Offer No. 173), as well as adjustments for overbilling, underbilling and billing dispute settlements for, in the aggregate, the Spend-Eligible Services, which are purchased by and billed to Customer and its Qualifying Affiliates (as each exists as of the Subscription Date) (or their Permitted Successors under the Eligible ACNAs. Spend-Eligible Charges shall specifically exclude the following:

(1) usage-based charges;

(2) temporary service charges;

(3) special construction charges;

(4) fractional and partial recurring charges;

(5) customer premise equipment charges;

(6) charges for services provided by a non-Affiliate third party service provider;

(7) taxes, surcharges or government-related charges;

(8) Expanded Interconnection Terminations, Interconnection Tie Pairs or Cross-Connect charges under any Affiliate's Interconnection Agreement;

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.6 Credits and Waivers (Cont'd)

(A) Spend Credits (Cont'd)

(9) shortfall and termination charges;

(10) charges for ACNAs for which Customer or a Qualifying Affiliate ceases to become responsible during the term of this Contract Offer No. 173, but only with respect to those charges incurred after Customer or a Qualifying Affiliate ceases to be responsible for such ACNAs; and

(11) charges invoiced outside of the Carrier Access Billing System (CABS).

For each Term Month, subject to Section 33.173.5, the Customer is eligible for a single Spend credit under this Contract Offer No. 173 and the other Concurrently Subscribed Contract Offers. The single Spend credit would be in an amount equal to four percent (4%) times the Spend for such Term Month under this Contract Offer No. 173 and the other Concurrently Subscribed Contract Offers ("Spend Credit").

The Spend Credit will be issued during the third calendar month after the Term Month to which it is attributable and will be divided among the Qualified Companies in proportion to the Spend-Eligible Charges under the Concurrently Subscribed Contract Offers (unless otherwise agreed).

The Spend Credit shall not be posted if the Customer is in material breach of any Concurrently Subscribed Contract Offers No. 173, or Customer or any of its Qualifying Affiliates is in material breach of any other terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer or such Qualifying Affiliate. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.6 Credits and Waivers (Cont'd)

(B) Conditions to Certain Other Credits

To be eligible to earn any of the credits under Section 33.173.6(C) or DS1 Plan Credits under Section 33.173.6(D) with respect to any Term Month during the Term Period, Customer and its Qualifying Affiliates must subscribe to the DS1 High Capacity Service Portability Commitment (the "Portability Commitment") associated with the DS1 Term Payment Plan for the entirety of such Term Month, except to the extent that the Telephone Company eliminates the DS1 Term Payment Plan or the DS1 High Capacity Service Portability Commitment and Customer is not allowed to re-subscribe. The Customer's commitment level (as that term is used in connection with the DS1 High Capacity Service Portability Commitment) under the Portability Commitment will be set at the level of Customer's purchase of DS1 Channel Terminations as of the date the Customer subscribes to this Contract Offer; provided however, that if the Customer is subscribing to the Portability Commitment as of the effective date of this Contract Offer, then the Customer's commitment level will remain the same as it was on that date. The DS1 High Capacity Service Portability Commitment is described in Sections 7.4.18 (E) of PBTC Tariff FCC No. 1.

(C) Termination Liability, Special Construction and NRC Credits

Starting with Measuring Period 2, the Telephone Company will bill, and the Customer and its Qualifying Affiliates shall pay, the termination liability charges, special constructions and non-recurring charges for DS1, DS3 Subject Services in accordance with the Telephone Company's Tariff F.C.C. No. 1 ("Credit Eligible Charges"). The Telephone Company will issue a credit in the amount equal to such Credit Eligible Charges due from the Customer and its Qualifying Affiliates that are billed in a Measuring Period if, in addition to Customer and its Qualifying Affiliates meeting the conditions in Section 33.173.6(B) for such Measuring Period and the other requirements of the Concurrently Subscribed Contract Offers, such DS1 or DS3 Subject Service meets all of the following conditions: (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 - Access Service Offer (Cont'd)

33.173.6 Credits and Waivers (Cont'd)

(C) Termination Liability, Special Construction and NRC Credits (Cont'd)

(1) Such DS1 or DS3 Subject Service was not disconnected by the Telephone Company as a result of a breach of the applicable Tariffs;

(2) Any such DS1 or DS3 Subject Service must not have received a termination liability credit under another revenue-based or volume-based offer, or otherwise received a waiver of such termination liability charge or other credit in an amount equal to such termination liability charge;

(3) Customer must be in compliance with all material provisions of this Contract Tariff Offer No. 173, including, but not limited to, the payment of all non-disputed charges by the due date;

(4) Customer must have met both the DS1 Volume Commitment and DS3 Volume Commitment for the Measuring Period or, alternatively, must have paid any Volume Shortfalls due;

(5) Such DS1 Subject Service must have been in service for a minimum of thirty (30) days for its early termination charges/liabilities to be eligible for a credit; and

(6) Such DS3 Subject Service must have been in service for a minimum of twelve (12) months for its early termination charges/liabilities to be eligible for a credit;

Credit will not be provided under this Section until any Volume Shortfalls as describe in Section 33.173.6.C(4) have been paid, provided that such Volume Shortfalls charges are paid within thirty (30) days after AT&T's notice that the credit is being withheld.

The aggregate amount of the credit for Credit Eligible Charges paid by the Qualified Companies during a Measuring Period will not exceed the following amounts. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.6 Credits and Waivers (Cont'd)

(C) Termination Liability, Special Construction and NRC Credits (Cont'd)

Measuring Period	Credit
Period 2	$668,500
Period 3	$2,000,000
Period 4 Optional 1	$2,000,000

Any credit due under this Section 33.173.6(C) will be issued during the third calendar month after the Measuring Period in which such Credit Eligible Charges were billed. The Telephone Company will calculate the credit amount and notify Customer of the BANs on which these credits will be issued.

Any unused amount of such credit shall not be carried forward to any subsequent Measuring Period, or carried backward to any prior Measuring Period.

(D) DS1 Plan Credits
The Telephone Company will provide credits in an amount equal to any shortfall charges that apply as a result of Customer failing to maintain the minimum number of Channel Terminations, as referenced in Section 33.173.6(B), equal to at least 80% of the commitment level (except for any such charges attributable to circuits disconnected by the Telephone Company as a result of a breach of the applicable Tariffs) or any adjustment factor (as that term is used in connection with the DS1 High Capacity Service Portability Commitment) that applies as a result of Customer exceeding 124% of the Commitment Level. Any such credit shall be issued within ninety (90) days after the end of the Measuring Period and will be applied to invoices for Subject Services. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.6 Credits and Waivers (Cont'd)

(E) Customer shall be issued a one-time credit under this Contract Offer No. 173 in the amount of $137,750.00 within sixty (60) days of the end of the first Term Month. One-time credits will also be issued under each of the other Concurrently Subscribed Contract Offers.

33.173.7 Assignment/Transfer/Successors

(A) Neither party shall assign or otherwise transfer this Contract Offer No. 173, or its rights or obligations hereunder, to any person or entity without the prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided, however, that Customer shall have the right, without the consent of but with notice to the Telephone Company, to assign or otherwise transfer the entirety of this Contract Offer No. 173 to any Qualifying Affiliate, so long as:

(i) the other Concurrently Subscribed Contract Offers are likewise assigned or otherwise transferred in their entirety to that same Affiliate; and

(ii) that Affiliate otherwise qualifies under this Contract Offer No. 173 and the other Currently Subscribed Contract Offers.

Any assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 173 and the other Concurrently Subscribed Contract Offers, any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 173, and any assignment or transfer by the Customer shall be subject to the provisions of Section 33.173.7(B), below. Any assignment or other transfer of this Contract Offer No. 173, or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void.

(N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 - Access Service Offer (Cont'd)

33.173.7 Assignment/Transfer/Successors (Cont'd)

(B) Any proposed assignee or transferee must satisfy the following conditions: (i) the proposed assignee or transferee must demonstrate credit worthiness under both (1) and (2), below (and if (1) and (2) are not applicable to Customer, then (3) shall apply); (ii) neither the proposed assignee or transferee nor its parent may have commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it) at any time during the Term Period, and (iii) the proposed assignee or transferee meets the Eligibility Criteria set forth in Section 33.173.4, above.

(1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(2) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g., Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(b) "high risk" in a Paydex score as published by Dun and Bradstreet.

(3) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (1) or (2) of this Section 33.173.7(B) is not available, the Telephone Company shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

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33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.8 Mergers/Acquisitions and Sales/Divestitures

(A) Except as provided in Section 33.173.8(B), all provisions of this Contract Offer No. 173 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger or acquisition, if the entity other than the Customer involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 173 for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. Purchases by the other entity shall not be part of any calculation hereunder, including, without limitation, as a Spend-Eligible Service, as generating Spend-Eligible Charges, in determining achievement of the requirements of Section 33.173.5(C), or be eligible for any credits under this Contract Offer No. 173. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.8 Mergers/Acquisitions and Sales/Divestitures

(B) If, during the Term Period, any of the Qualified Companies (or any portion of any of them) is no longer under the control of AT&T Inc. (a "Divested Entity"), then as of the closing date(s) of the relevant transaction(s), any Concurrently Subscribed Contract Offer applicable to a Divested Entity shall be administered and enforced, and any rights or obligations of either party to this Contract Offer No. 173 shall apply separately to: (i) the Telephone Company (or any portion of Telephone Company (if any)) remaining under the control of AT&T Inc., and (ii) the Divested Entity or Entities, after taking into account such relevant transaction(s). In particular, but without limitation, the conditions (as provided in Section 33.173.5(C)) required to qualify for credits under this Contract Offer No. 173 will be pro-rated between any portion of Qualified Companies (or any portion of any of them) remaining under the control of AT&T Inc. (the "Remaining AT&T ILECs"), and the Divested Entity or Entities in proportion to the Circuit Volumes billed by the Remaining AT&T ILECs and by the Divested Entity or Entities at the end of the full calendar month immediately prior to the Transaction Close Date of the relevant transaction(s).

Notwithstanding the foregoing paragraph, nothing in this Section 33.173.8(B) shall prevent the lawful modification or termination of this Contract Offer No. 173 as applicable to the Telephone Company, any portion of Telephone Company (if any) remaining under the control of AT&T Inc., or any Divested Entity or Entities, in accordance with this Contract Offer No. 173 and applicable law and regulation. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.9 Effect of Contract Offer No. 173 on Any Grandfathering or Sunsetting of Subject Services or Non-Subject Services

Nothing in this Contract Offer No. 173 shall prevent the Qualified Companies from terminating the provision of Subject Services or Non-Subject Services, in part, or in their entirely, prior to the end of the Term Period, to the extent permitted by applicable law. To the extent that such termination occurs, however, Customer may terminate this Contract without any termination liability charge as described in Section 33.173.10.

33.173.10 Termination

(A) Termination Liability Charge

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 173 or any of the other Concurrently Subscribed Contract Offers for any reason other than material breach by the Telephone Company, or if the Telephone Company terminates this Contract Offer No. 173 as a result of a material breach by Customer or any of its Qualifying Affiliates, then this Contract Offer No. 173 shall be terminated (if not already terminated) and the Customer shall forego (or repay, if applicable), as a termination liability charge, fifty (50%) of the credits and waivers issued or due under this Contract Offer No. 173 during the Measuring Period in which the effective date of termination occurs, up to the effective date of termination.

Customer will pay any termination liability charge due to the Telephone Company within 30 days of the Telephone Company invoice date for such charge, provided, however, that the Customer shall not repay any amount attributable to any such credits or waivers that have not been, or are not, issued by the Telephone Company (and the Telephone Company will not be obligated to issue any such credits which were due but not issued prior to such (N) termination).

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.173 Contract Offer No. 173 – Access Service Offer (Cont'd)

33.173.10 Termination

(B) If any portion of this Contract Offer No. 173 is found to be invalid, unenforceable, or otherwise contrary to applicable law, the Telephone Company or the Customer may, in its respective sole discretion, terminate this Contract Offer No. 173 upon ten (10) days' written notice to the other.

(C) After a transaction to which Section 33.173.8(B) applies, (i) the termination of this Contract Offer No. 173 solely applicable to any portion of the Telephone Company remaining under the control of AT&T Inc. will not terminate this Contract Offer No. 173 as it applies to any Divested Entity or Entities, and (ii) the termination of this Contract Offer No. 173 solely applicable to any Divested Entity or Entities will not terminate this Contract Offer No. 173 as it applies to any portion of the Telephone Company remaining under the control of AT&T Inc. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (N)

33.174 Contract Offer No. 174 – Access Service Offer

33.174.1 General Description (N)

The Special Access Service Offer (Contract Offer No. 174) is a Minimum Annual Revenue Commitment attainment plan for which concurrent subscription is required to this Contract Offer and the following Access Tariffs: Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 38; Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 194; BellSouth Telecommunications LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 89; and Ameritech Operating Companies (Ameritech) Tariff F.C.C No. 2, Contract Offer No. 224 (collectively, with this Contract Offer No. 174, referred to as the "Concurrently Subscribed Contract Offers". Ameritech, BellSouth, NBTC and SWBT, together with the Telephone Company, shall be identified herein as the "Qualified Companies." (Nx)

The Concurrently Subscribed Contract Offers allow the Customer to qualify for certain credits based on its attainment of a "Minimum Annual Revenue Commitment" or "MARC," as described in Section 33.174.5, below. The MARC consists of certain recurring revenue from "Contributory Services," as defined in Section 33.174.2, below, that the Customer purchases from the Qualified Companies. (N)

Contract Offer No. 174 will be available for subscription only from May 17, 2016 through June 16, 2016. This Contract Offer is not renewable.

33.174.2 Subject and Non-Subject Services

"MARC-Eligible Services" under the Concurrently Subscribed Contract Offers are Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Telephone Company and located within the operating territories of the Qualified Companies, as well as "Subject Services" and "Non-Subject Services" as defined in the other Concurrently Subscribed Contract Offers.

x – Issued under the Authority of Special Permission No. 16-006 of the F.C.C. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.2 Subject and Non-Subject Services (Cont'd0

(A) Subject Services

(1) Subject Services are pricing flexibility-qualified access services and associated rate elements, as identified in Table A, below.

Table A – Subject Services

Category	Services Included
Interstate Special Access Located in Pricing Flexibility Metropolitan Statistical Areas (MSAs)	DS1 and DS3, except for any rate elements not subject to pricing flexibility

(2) Subject Services must be located in the Pricing Flexibility MSAs where the Telephone Company has been granted Phase II pricing flexibility, as listed in PBTC Tariff F.C.C. No. 1, Section 31, and those additional MSA's listed below. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs, the Customer may, at its option, include Subject Services in those additional MSAs as eligible for the discounts under this Contract Offer.

Phase I – All Rate Elements (Including Channel Terminations)

Oxnard-Ventura, CA	Sacramento, CA	San Diego, CA
Santa Rosa, CA	Stockton, CA	

Phase I – Rate Elements other than Channel Terminations

Non-MSA, CA

(3) Subject Services ordered and purchased by the Customer prior to its subscription to this Contract Offer will be referred to as "Existing Subject Services."

Subject Services that were not being purchased from the Telephone Company prior to its subscription to this Contract Offer will be referred to as "New Subject Services."

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.2 Subject and Non-Subject Services (Cont'd0

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below.

TABLE B- Non-Subject Services will be included in calculations related to the "Minimum Annual Revenue Commitment," as defined in Section 33.174.1, but are not otherwise subject to this Contract Offer.

Category	Service[1]
Interstate Special Access Services	Optical Ethernet Metropolitan Area Network (OPT-E-MAN®), AT&T Switched Ethernet℠ Service
Intrastate Special Access and/or Equivalent Non-Switched Exchange Services (Excluding Private Line Services)	DS1, DS3, Optical Ethernet Metropolitan Area Network (OPT-E-MAN®), AT&T Switched Ethernet Service
AT&T Corp.	AT&T OPT-E-WAN®

(C) All terms and conditions for those Subject Services and Non-Subject Services that are tariffed are governed by their respective tariff sections, except as noted in this Contract Offer with respect to Subject Services. All terms and conditions for those Non-Subject Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

[1] Interstate Opt-E-MAN® and AT&T Switched Ethernet services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.2 Subject and Non-Subject Services (Cont'd0

(D) Subject Services and Non-Subject Services shall also include any similar or successor services which are provided by the Qualified Companies and which were not available as of the effective date of this Contract Offer.

33.174.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer:

(A) The Customer must have a minimum of 6,000 interstate special access DS1 circuit and 650 interstate special access DS3 circuits in service with the Qualified Companies, as of the effective date of this Contract Offer.

(B) The Customer must have purchased interstate special access DS1 and DS3 services from the Qualified Companies for which aggregate monthly recurring charges were not less than $1,543,000.00(net of any applicable discounts and credits) for the month immediately prior to the effective date of this Contract Offer.

(C) The Customer must have been purchasing a minimum of seventy-five percent (75%) of its DS1 and DS3 interstate special access circuits under either 5-year or 7-year term commitments, in aggregate, including purchases from all of the Qualified Companies, during the last six months prior to the Subscription Date of this Contract Offer (as defined in Section 33.174.4.B, below). DS1 and DS3 interstate special access circuits will be considered separately.

Example: If the Customer purchased more than seventy-five percent (75%) of its DS1 interstate special access circuits subject to 5-year term commitments, in the aggregate from all of the Qualified Companies, the Customer would be eligible to order and purchase DS1 Subject Services under this Contract Offer at five-year rates.

Example: If the Customer purchased more than seventy-five percent (75%) of its DS1 interstate special access circuits subject to 7-year term commitments, in the aggregate from all of the Qualified Companies, the Customer would be eligible to order and purchase DS1 Subject Services under this Contract Offer at seven-year (N) rates.

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.3 Eligibility Criteria (Cont'd) (N)

(A) The Customer must concurrently subscribe to the following Contract Offers: (Nx)

(1) Ameritech Tariff F.C.C No. 2, Contract Offer No. 224;
(2) BellSouth Tariff F.C.C. No. 1, Contract Offer No. 89;
(3) NBTC Tariff F.C.C. No. 1, Contract Offer No. 38;
(4) PBTC Tariff F.C.C. No. 1, Contract Offer No. 174; and
(5) SWBT Tariff F.C.C. No. 73, Contract Offer No. 194. (Nx)

33.174.4 General Terms and Conditions (N)

The following General Terms and Conditions apply to this Contract Offer No. 174:

(A) Subscription

To subscribe to this Contract Offer, the Customer must submit Letters of Subscription (LOS) to the Qualified Companies. The Customer must provide, at the time of subscription, all Access Customer Name Abbreviations (ACNAs) that the Customer designates for inclusion in the Concurrently Subscribed Contract Offers for itself and any of its "Affiliates" that may purchase service pursuant to the Concurrently Subscribed Contract Offers (hereafter referred to as "Eligible ACNAs").

Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, the Concurrently Subscribed Contract Offers, unless otherwise agreed in writing by the parties.

x – Issued under the Authority of Special Permission No. 16-006 of the F.C.C. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.4 General Terms and Conditions (Cont'd)

(B) Term Period

The term of this Contract Offer (Term Period) will begin on the first day of the first calendar month following the date the Qualified Companies receive signed Letters of Subscription (LOS) from the Customer (that date to be referred to as the "Subscription Date"), and will continue until October 31, 2019. Each period of twelve (12) consecutive months during the Term Period, beginning from the Subscription Date, shall be referred to as a Term Year; provided however, that the final Term Year will begin on the third anniversary of the Subscription Date and end on October 31, 2019. Each period of three (3) consecutive months during the Term Period, beginning from the Subscription Date, shall be referred to as a Quarter; provided however, that the final Quarter of the Term Period will begin thirty-nine (39) months after the Subscription Date and end on October 31, 2019. Upon expiration of the Term Period, Subject Services will be provided at the prevailing month-to-month rates as provided in PBTC Tariff F.C.C. No. 1, Sections 7 or 31, or if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate.

(C) Service Term

Subject Services must be ordered and purchased subject to the Term Period applicable to either DS1 or DS3 service, respectively, under this Contract Offer, as provided in Section 33.174.3(C) (in either case, referred to as the Service Term). Customer shall order any New Subject Services under this Contract Offer by submitting an ASR, including the PNUM of this Contract Offer, to the Telephone Company. Customer may convert any Existing Subject Services to this Contract Offer either: (1) by submitting one or more ASRs, including the PNUM of this Contract Offer, to the Telephone Company, or (2) by requesting a bulk conversion project to be coordinated by the Telephone Company. In either case, Existing Subject Services must begin a new service term upon conversion to this Contract Offer. Termination liability charges will not apply as a result of such conversion. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.4 General Terms and Conditions (Cont'd)

(C) Service Term (Cont'd)

Upon expiration of the Service Term. Subject Services will be provided at the prevailing month-to-month rates as provided in PBTC Tariff F.C.C. No. 1, Sections 7 or 31, or if there are no month-to-month rates, then at the rates applicable to the shortest available term, unless the Customer disconnects the services or chooses another applicable rate.

(D) Commingling of Subject Services is defined in PBTC Tariff F.C.C. No. 1, Section 2.6. During the Term Period, the Customer may not at any time be obtaining from the Qualified Companies a greater number of Subject Services that are commingled with one or more unbundled network elements than the number of such Subject Services in place as of the Subscription Date.

(E) The Customer may not be a party to any agreement for de-tariffed interstate access services provided by any of the Qualified Companies ("Broadband Agreement") or any other pricing flexibility contract tariff, if the Broadband Agreement or pricing flexibility contract tariff contains any revenue or volume commitment or attainment level, as of the effective date of the Contract Offer (Commitment Agreement), unless the Commitment Agreement expressly allows the Customer to participate in both the Commitment Agreement and the Concurrently Subscribed Contract Offers. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.4 General Terms and Conditions (Cont'd)

(F) If, during the Term Period, any of the Qualified Companies or any portion of any such Qualified Company is no longer under the ownership and control of AT&T Inc. (a "Divested Entity"), then as of the closing date(s) of the relevant transaction(s), any Concurrently Subscribed Contract Offer applicable to a Divested Entity shall be administered and enforced, and any rights or obligations of either party to such Contract Offer shall apply, separately to: (i) the Qualified Companies (and any portions of Qualified Companies) remaining under the ownership and control of AT&T Inc. and (ii) the Divested Entity or Entities. In particular, but without limitation, the MARC (as provided in Section 33.174.5) and the amount of MARC-Eligible Charges required to qualify for Plan Shortfall Charges (as provided in Section 33.174.6(C)) shall be pro-rated between the Qualified Companies (and any portions of Qualified Companies) remaining under the ownership and control of AT&T Inc. and the Divested Entity or Entities in proportion to the amount of MARC-Eligible Charges billed by the Qualified Companies (and any portions of Qualified Companies) remaining under the ownership and control of AT&T Inc. and the Divested Entity or Entities, for the three months immediately prior to the closing date(s) of the relevant transaction(s).

Notwithstanding the foregoing paragraph, nothing in this Section 33.174.4(H) shall prevent the lawful modification or termination of any of the Concurrently Subscribed Contract Offers, as applicable to any Qualified Company or Divested Entity.

(G) If, prior to the Customer's Subscription to this Contract Offer, the Customer subscribed to Contract Offer 169, this Contract Offer will supersede Contract Offer 169. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.5 Minimum Annual Revenue Commitment

The Customer must satisfy a Minimum Annual Revenue Commitment (MARC) for each Term Year of this Contract Offer. The MARC shall be satisfied by gross billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (except those issued under the Concurrently Subscribed Contract Offers), as well as adjustments for overbilling, under-billing and billing dispute settlements issued during that Term Year for Subject Services and Non-Subject Services purchased by and billed to Customer under the Eligible ACNAs (collectively, "MARC-Eligible Charges"). The Customer's MARC-Eligible Charges shall specifically exclude non-recurring charges, usage-based charges and temporary service charges. Credits under this Contract Offer are conditioned on the Customer's satisfaction of the MARC in each Term Year. Satisfaction of the MARC shall be determined according to MARC-Eligible Revenue.

The MARC for the first Term Year will be equal to ninety-five percent (95%) of the Customer's MARC-Eligible Revenue for the three (3) months prior to the Subscription Date, times four (4). The MARC for the second and third Term Year will be equal to ninety-five percent (95%) of the Customer's MARC-Eligible Revenue for the last three (3) months of the prior Term Year, times four (4). The MARC for the fourth Term Year will be equal to ninety-five percent (95%) of the Customer's MARC-Eligible Revenue for the last three (3) months of the prior Term Year, times four (4), times the number of days in the final Tem Year, divided by three hundred sixty-five (365).

33.174.6 Billing & Credits

(A) Subject Service Monthly Recurring Charges.

(1) Tables C and D, below, contain the effective rates for Subject Services under this Contract Offer No. 174. Any rate elements not listed in Tables C and D will be provided at the applicable rates in PBTC Tariff F.C.C No 1, Section 7. Each circuit element (Channel Termination and Mileage) must be located entirely in the MSAs listed in Section 33.174.2(A) to be eligible for these rates. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.6 Billing & Credits (Cont'd)

(A) Subject Service Monthly Recurring Charges. (Cont'd)

(2) The Telephone Company will initially bill the Customer according to the otherwise applicable twelve (12) month Optional Payment Plan Monthly Recurring Charges ("OPP MRCs"). The Customer will then be credited in an amount equal to the difference between the otherwise applicable OPP MRCs and the MRCs for the rate elements listed in Tables C and D, below. Credits will be applied monthly in arrears. Taxes, if applicable, will be charged on the OPP MRC rates, but will not be included in the credits applied to the Customer's bill.

Table C:

DS1 Special Access Services Rate Element	**USOC**	**5 Year MRC**
Channel termination-Per Point of Termination-Zone 1	TMECS	$100.00
Channel termination-Per Point of Termination-Zone 2	TMECS	$110.00
Channel termination-Per Point of Termination-Zone 3	TMECS	$120.00
Channel Mileage-Fixed-Zone 1	1L5XX	$35.00
Channel Mileage-Fixed-Zone 2	1L5XX	$37.50
Channel Mileage-Fixed-Zone 3	1L5XX	$40.00
Channel Mileage-Per Mile-Zone 1	1L5XX	$8.50
Channel Mileage-Per Mile-Zone 2	1L5XX	$9.00
Channel Mileage-Per Mile-Zone 3	1L5XX	$9.25
Central Office Multiplexing DS1 to DS0-Per Arrangement-Zone 1	MQ1, MQ2, QMU	$160.00
Central Office Multiplexing DS1 to DS0-Per Arrangement-Zone 2	MQ1, MQ2, QMU	$165.00
Central Office Multiplexing DS1 to DS0-Per Arrangement-Zone 3	MQ1, MQ2, QMU	$170.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.6 Billing & Credits (Cont'd)

(A) Subject Service Non-Recurring Charges (Cont'd)

Table D:

DS3 Rate Elements	USOC	5 YR MRC
Channel Termination-Per Point of Termination-Zone 1	Z3MAC/Z3MAP	$970.00
Channel Termination-Per Point of Termination-Zone 2	Z3MAC/Z3MAP	$990.00
Channel Termination-Per Point of Termination-Zone 3	Z3MAC/Z3MAP	$1,010.00
Channel Mileage-Fixed-Zone 1	1L5XX	$400.00
Channel Mileage-Fixed-Zone 2	1L5XX	$410.00
Channel Mileage-Fixed-Zone 3	1L5XX	$435.00
Channel Mileage - Variable - Zone 1	1L5XX	$17.50
Channel Mileage - Variable - Zone 2	1L5XX	$20.00
Channel Mileage - Variable - Zone 3	1L5XX	$22.50
Multiplexing – Zone 1	MQ3	$275.00
Multiplexing – Zone 2	MQ3	$285.00
Multiplexing – Zone 2	MQ3	$295.00

(N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.6 Billing & Credits (Cont'd)

(B) Service Portability Credits.

The Qualified Companies will issue credits in the amount of any termination liability charges that would otherwise apply as a result of the disconnection of Subject Services during the Term Period, provided that the conditions set forth below have been met. Such charges initially will be billed, and must be paid, as provided in the relevant sections of this Tariff F.C.C. No. 1, not including this Contract Offer. The Telephone Company will calculate and issue credits for each Quarter, which will be issued no later than sixty (60) days after the end of each Quarter.

(1) Any disconnected Subject Service(s) must have been in service for a minimum of twelve (12) months.
(2) The Customer must continue to purchase no less than the number of DS1 and DS3 Subject Services (which is defined in Section 33.174.3.A) that were in service as of the Subscription Date of this Contract Offer.

(C) Credits for Termination Liability or Plan Shortfall Charges.

The Qualified Companies will issue credits in the amount of any termination liability charges or any charges for failure to satisfy a minimum Commitment Level pursuant to a High Capacity Service Portability Commitment, when such charges would otherwise apply as a result of the disconnection of Subject Services during the Term Period, provided that the conditions set forth below have been met. Such charges initially will be billed, and must be paid, as provided in the relevant sections of PBTC Tariff F.C.C. No. 1, not including this Contract Offer. The Telephone Company will calculate and issue credits for each Term Year, which will be issued no later than sixty (60) days after the end of each Term Year. As clarification, but not to modify this paragraph, the BellSouth Area Commitment Plan (ACP) is not a High Capacity Service Portability Commitment within the meaning of this Section 33.174.6(C) and is not eligible for termination liability or plan shortfall credits. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.6 Billing & Credits (Cont'd)

(C) Credits for Termination Liability or Plan Shortfall Charges (Cont'd)

(1) Any disconnected Subject Service(s) must have been in service for a minimum of twelve (12) months.

(2) MARC-Eligible Charges for the Term Year must have been equal to or greater than the MARC.

33.174.7 Access Service Ratio

The Customer (including any of its Affiliates included in this Contract Offer) must maintain an Access Service Ratio as further provided in this Section 33.174.7. The Access Service Ratio shall be calculated quarterly, based on data for the most recent single month for which information is available at the time of the calculation. The Qualified Companies will calculate the Customer's Access Service Ratio as of the Subscription Date and for each Quarter thereafter, as follows:

Access Service Ratio = Access Revenue / (Access Revenue + Wholesale Revenue)

During the Term Period, the Access Service Ratio may not decline by more than 3%, as compared to the Access Service Ratio on the Subscription Date, as determined by each quarterly calculation of the Access Service Ratio.

Example: Assume that the Customer's Access Service Ratio, as calculated for the Subscription Date, is 95%. For each subsequent quarterly calculation of the Access Service Ratio, the Customer would be required to achieve an Access Service Ratio of at least 92%.

If, during the Term Period, any of the Qualified Companies offers additional ILEC access services or UNEs, such additional ILEC access services or UNEs shall also be included in the calculation of the Access Service Ratio. Recurring revenue, for purposes of calculating the Access Service Ratio, will be measured according to gross billed recurring revenue, after application of any discounts or credits applicable to that recurring revenue, plus any adjustments for overbilling, under-billing and billing dispute settlements. The calculation of recurring revenue will not include any DS1 Plan Credits issued pursuant to this Contract Offer. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.7 Access Service Ratio (Cont'd)

If, upon the initial review or any quarterly review of the Customer's compliance with the Access Service Ratio, the Qualified Companies determines that the Customer has not complied with the Access Service Ratio, the Qualified Companies will so notify the Customer in writing. The Customer will have sixty (60) days after such notice to cure its noncompliance with the Access Service Ratio.

"Access Revenue" means the Qualified Companies' interstate recurring revenue from the Customer and its "Affiliates" associated with the services defined in Tables E and F, below. An "Affiliate" of a party to this Contract Offer means any entity that controls, is controlled by, or is under common control with, such party.

Table E:

Service Type	**Service**[1]
Interstate Special Access	OCN (Optical Carrier Network) PTP
	Dedicated SONET Ring Service (DSRS)
	SONET Ring and Access Service (SRAS)
	GigaMAN (Gigabit Ethernet Metropolitan Area Network)
	Multi-Service Optical Network (MON)Ring Service
	OpteMAN (Optical Ethernet Metropolitan Area Network)
	DecaMAN (10 Gigabit Ethernet Metropolitan Area Network)
	AT&T Switched Ethernet Service (ASE)
	WaveMAN (Wavelength Metropolitan Area Network)
	Serial Component Video Service (SCVS)
	High Definition Video Transport (HDVT)
	AVS 270 Video Service
	Voice Grade
	DS0
	DS1
	DS3
	Switched Access Transport

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.7 Access Service Ratio (Cont'd)
"Wholesale Revenue" means the Qualified Companies' recurring revenue from the Customer and its Affiliates for unbundled network elements and associated rate elements, as defined in Table D, below.

Table F

Service Type-- Unbundled Network Elements and Associated Services or Rate Elements	**Service or Network Element**[1]
DS1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
OCn	OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service
Other	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport

[1] Ethernet-based services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission, to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 – Access Service Offer (Cont'd)

33.174.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to PBTC, F.C.C. Tariff No. 1, Section 2.1.2, the Qualified Companies will acknowledge such transfer or assignment if the criteria in PBTC Tariff F.C.C. Tariff No. 1, Section 2.1.2 , are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade,

(B) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(1) "fair" or below in a composite credit appraisal published by Dun and Bradstreet; or

(2) "high risk" in a Paydex score as published by Dun and Bradstreet.

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsections (A) or (B) of this Section 33.174.7 is not available, the Qualified Companies shall exercise its reasonable discretion in determining the credit worthiness of the assignee or transferee based on any information available. (N)

ACCESS SERVICE

33. Pricing Flexibility Contract Offerings (Cont'd) (N)

33.174 Contract Offer No. 174 - Access Service Offer (Cont'd)

33.174.8 Assignment/Transfer/Successors (Cont'd)

(D) Notwithstanding anything to the contrary in this Section 33.174.8, the Customer may, upon written notice to the Qualified Companies, assign in whole or relevant part its rights and obligations under this Agreement to an Affiliate of the Customer, but the Customer will remain financially responsible for the performance of such obligations.

33.174.9 Mergers, Acquisitions, Sales or Divestitures Involving Customer

All provisions of this Contract Offer shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all of its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Qualified Companies, the Subject Services, as provided for in this Contract Offer, will continue to be provided at the same volume, rates, Terms and Conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)