(D)

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#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings

# 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer

#### 25.1.1 General Description

MVP DS1, DS3 and <sup>(1)</sup> Service Offer ("Contract Offer No. 1") is an access discount pricing plan 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 <sup>(1)</sup> Services that meet the Eligibility Criteria as described in Section 25.1.3 and are subject to the Terms and Conditions as described in Section 25.1.4.

Customers must commit to a Current Annual Revenue Commitment (CARC), as described in Section 25.1.5. 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 25.1.6, otherwise termination liabilities will apply.

This Contract Offer No. 1 will only be available between November 18, 2003 through January 18, 2004.

### 25.1.2 Services Available Under Contract Offer No. 1

(A) This Contract Offer No. 1 offers discounts on the recurring rates for the Price Flex eligible DS1, DS3 and <sup>(1)</sup> 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 25.1.4(C).

Service	General / Basic Description	Phase 1 MSAs Rates and Charges	Phase 2 MSAs Rates and Charges
DS1 and DS3 Services	7.16.1	7.16.4	24.5.2
(1)	(1)	(1)	(1)

(1) Material previously contained in this section has been deleted. OCN 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings

# 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

### 25.1.2 Services Available Under Contract Offer No. 1 (Cont'd)

(B) Purchase of the Subject Services listed above pursuant to Contract Offer No. 1 are subject to the specific terms and conditions of Section 25.1.4. Additionally purchase of the services listed above pursuant to Contract Offer No. 1 are also subject to the general terms and conditions of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Regulations, 6- Switched Access Service, 7-Special Access Service and 8- Testing, Maintenance, and Additional Labor. 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. 1.

### 25.1.3 Eligibility Criteria for Contract Offer No. 1

- (A) Contract Offer No. 1 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;
  - Pacific Bell Telephone Company (PBTC) F.C.C. No. 1 Section 22
- (B) Customer must also concurrently subscribe to the identical contract offers of Contract Offer No. 1 pursuant to the following tariffs:
  - SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 15;
  - PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 20; and
  - Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 20.
- (C) A minimum of 4% of the Customer's Current Annual Revenue Commitment, as described in Section 25.1.5, must come from services previously provided by a carrier other than the Southern New England Telephone Company 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).

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-1.

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

# 25.1.3 Eligibility Criteria for Contract Offer No. 1 (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. 1 and termination liabilities will apply as set forth in Section 25.1.7.

### 25.1.4 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 25-1.

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#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

### 25.1.4 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 25.1.3. The Credits will be applied within 30 days after each billing cycle.

(C) This Contract Offer No. 1 is only available for Subject Services located in the following MSAs:

 $\underline{\text{Pricing-Flexibility MSAs:}}$  New Haven, Hartford, and Bridgeport, CT.

(D) Contract Offer No. 1 provides a discount of 50% off the monthly recurring tariff rates listed in Section 25.1.2 (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 25.1.5) for the calendar years of 2004 and 2005.
- (F) Customer agrees to a quarterly true-up as described in Section 25.1.6 for the calendar years of 2004 and 2005.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-1.

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd) (D)

### 25.1.5 Current Annual Revenue Commitment

Under Contract Offer No.1, Customer will commit to maintain a Current Annual Revenue Commitment (CARC). The CARC will be calculated as outlined below in Section 25.1.5(A). The CARC will be established as soon as the Telephone Company receives the Letter Of Authorization from the customer.

(A) Determining the Current Annual Revenue Commitment (CARC)

The Customer's CARC is calculated based on the total of the previous three (3) months recurring billing for all qualified access services: Entrance Facilities, Direct Trunked Transport, Direct Analog, DS1, DS3, (1), and SNET SONET Network Service, multiplied by four (4). The CARC is calculated as follows:

Previous Three (3) Months Recurring Billing X 4 = CARC

- (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. 1 and termination liability charges will apply as set forth in Section 25.1.7.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-1.

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

# 25.1.6 Quarterly True-Up

To ensure that the customer will meet the CARC by the end of year, 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 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. 1, and any other applicable credits or discounts have been applied.

# Example A: Annual Projected Gap calculation at end of 1st quarter

CARC = \$12,000,000 Less actual quarterly revenue (\$1.5M) X 4 (annualized) = \$ 6,000,000 Annual Projected Gap = \$ 6,000,000

- (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 25.1.6 (B) and will be applied to the Annual Projected Gap to determine the gap payment. See example B in Section 25.1.6.
- (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 25-1.

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#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

### 25.1.6 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 actual 3 months revenue (\$1.5M) x 4 (annualized): = \$6,000,000 Annual Projected Gap = \$6,000,000

 $$6,000,000 \times 0\% = $0.00 \text{ Quarterly True-up payment}$ 

#### 2nd Quarter

Actual revenue 1st and 2nd Quarter:
January = \$ 400,000
February = \$ 500,000
March = \$ 600,000
April = \$ 600,000
May = \$ 700,000
June = \$ 3,500,000

CARC = \$12,000,000 Less actual 6 months revenue (\$3.5M) x 2 (annualized): = \$7,000,000 Annual Projected Gap = \$5,000,000

 $$5,000,000 \times 25\% = $1,250,000$  Quarterly True-up payment

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-1.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

### 25.2.6 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 = \$400,000February = \$500,000March = \$600,000= \$ April 600,000 May = \$ 700,000 June = \$ 700,000 July = \$ 500,000 August = \$600,000September = \$ 665,038 = \$ 5,265,038 Total

CARC = \$12,000,000 Less (9 months actual revenue + 2nd Quarter Gap payment)x 1.33: (\$5,265,038 + \$1,250,000) x 1.33 = \$8,665,000 Annual projected Gap = \$3,335,000

 $$3,335,000 \times 66\% = $2,201,100$  Quarterly True-up payment

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-1.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

### 25.1.6 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
June = \$ 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 (12 months actual revenue + 2nd & 3rd Quarter Gap payment): \$6,930,000 + \$1,250,000 + \$2,201,100 = \$10,381,100 Annual Projected Gap = \$1,618,900

 $$1,618,900 \times 100\% = $1,618,900$ 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 + $1,250,000 + $2,201,100 + $1,618,900 = $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.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-1.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.1 Contract Offer No. 1 - MVP DS1, DS3 and (1) Service Offer (Cont'd)

### 25.1.7 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 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 25.1.3 or fails to maintain any of the Terms and Conditions in section 25.1.4, the Customer will be deemed to have terminated its participation in Contract Offer No. 1 and termination liability charges will apply as below, payable pursuant to F.C.C. No. 39, Section 2.8.

Customers termination liability shall be equal to:

- (A)100% of all Discounts received under this Contract Offer No. 1 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. 1 on November 1, 2003. The Customer terminates its participation in Contract Offer No. 1 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 25-1.

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### 25. Pricing Flexibility Contract Offerings

# 25.2 Contract Offer No. 2 - (1) Service Offer

### (D)

# 25.2.1 General Description

(1) Service Offer (Contract Offer 2) permits Customers located (D) in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) to purchase 1.4 GB of bandwidth on a (1). Customers must meet the eligibility criteria described (D) in Section 25.2.3. Contract Offer No. 2 is only available in the MSAs listed in Section 25.2.4(B)(1).

This offer is only available to customers currently purchasing  $^{(1)}$  with a minimum of 8  $^{(1)}$ . (D)

Contract Offer No. 2 is only available between January 23, 2004 and February 23, 2004.

# 25.2.2 Services Available Under (1) Service Offer

(D)

- (A) Contract Offer No. 2 applies to pricing-flexibilityqualified access services contained in the following tariff sections:
  - DS1 Service and DS3 Service SNET Tariff F.C.C. No. 39, Section 24.
  - Customers must subscribe to Contract Offer No. 2 with
     1.4 GB of capacity on one (1) and an existing (1) Service (D) with 8 (1).
     (D)
- (B) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

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services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

# 25.2 Contract Offer No. 2 - (1) Service Offer (Cont'd)

(D)

# 25.2.3 (1) Service Offer Eligibility Criteria

(D)

The following eligibility criteria must be met in order to receive the  $^{(1)}$  Service Offer:

(D)

- (a)Service must be a pricing flexibility qualified service listed in Section 25.2.2(A);
- (b) Service must be located in the MSAs listed in 25.2.4(B)(1).

(D)

# 25.2.4 (1) Service Offer Terms and Conditions

(D)

### (A) Term Period

The Term Period is 36 months (3 years), (the "Term Period"), commencing on the date the Telephone Company completes and Customer accepts the <sup>(1)</sup> access service order. Billing will commence no later than 30 days after the Term Period commences. This offer is not renewable.

(D)

If at the expiration of the Term Period, the Customer elects to continue service, the customer may choose from payment options in accordance with the regulations as described in the following Tariff F.C.C. 39, Section 24 for  $^{(1)}$ ,  $^{(1)}$  and  $^{(1)}$  Service, DS1 and DS3 Services.

(D)

If the Customer does not choose an option described above and elects not to discontinue service, the customer will automatically be billed the monthly rates found in Section 24.5.2.6 for DS1 and DS3 or the monthly extension rate found in Section  $^{(1)}$  for  $^{(1)}$  Service.

(D)

<sup>(1)</sup> See footnote (1) on page 25-11.

## 25.2 Contract Offer No. 2 - (1) Service Offer (Cont'd)

(D)

# 25.2.4 $^{(1)}$ Service Offer Terms and Conditions (Cont'd)

#### (D)

# (B) Terms and Conditions

- (1) Contract Offer 2 is only available for circuits located in the following Metropolitan Statistical Area (MSA):
  - Phase 1 Pricing Flexibility MSA: Bridgeport, Hartford and New Haven, Connecticut.
- (2) Contract Offer 2 is only available January 23, 2004 through February 23, 2004.
- (3) If Customer should discontinue service under Contract Offer 2 during the Term Period, termination liability charges will be determined in accordance with Section 25.2.6.
- (4) Customer agrees to subscribe to this Contract Offer No. 2 in accordance with the regulations set forth in Tariff F.C.C. 39, Section 5.
- (5) Rate stability during the term period applies only to the rates specific to Contract Offer No. 2 as described in Section 25.2.5.
- (6) Purchase of the services listed above under Contract Offer 2 are also subject to general terms and conditions of F.C.C. Tariff No. 39 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 regulations described in Contract Offer No. 2.
- (7) If after the Telephone Company receives the 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.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-11.

25. Pricing Flexibility Contract Offerings (Cont'd	25.	Pricing	Flexibility	Contract	Offerings	(Cont'd
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25 2	Contract	Offer	No	2	_ (:	1) Service	Offer	(Cont'd)
23.2	Contract	OTTEL	MO.	_	_	DET ATCE	OTTEL	(COIIL a)

25.2.4  $\underline{\ }^{(1)}$  Service Offer Terms and Conditions (Cont'd)

(D)

(D)

(B) Terms and Conditions (Cont'd)

- (8) During the Term Period, the Customer may issue service orders increasing capacity bandwidth of the <sup>(1)</sup>-Network (D) in accordance with the FCC 39, Section 24.
- (9) Customer must purchase a (1) with the following capacity requirements.

(1)	(D)
(1)	(D)

- (10) Customer will not be able to subscribe to any future contract offerings in section 25 in conjunction with Contract Offer No. 2.
- (11) Customers who subscribe to Contract Offer No. 2 may move a <sup>(1)</sup> from one <sup>(1)</sup> to another <sup>(1)</sup> on the <sup>(1)</sup> (as (D) described in Tariff F.C.C. 39, section 2.11.5.) and will not incur termination liability. A reduction in the number <sup>(1)</sup> on the <sup>(1)</sup> will incur termination (D) liability. Disconnect orders associated with <sup>(1)</sup> to <sup>(1)</sup> moves do not have to be coordinated with add orders provided the following conditions are met:
  - new service location is within the same MSA as the original service; and
- (12) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 2, the Customer agrees to pay the Telephone Company time and material charges for each modification as described in Tariff F.C.C. 39, Section 24. Modifications of services include, but are not limited to: reconfiguration of existing (1), shelf (D) rearrangements, (1) moves, (1) provisioning changes and (D) customer premises rearrangements.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-11.

# 25.2 Contract Offer No. 2 - (1) Service Offer (Cont'd)

(D)

(D)

(D)

# 25.2.4 Dedicated Ring Service Offer Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (13) If the Customer requests additional bandwidth, (1), (1) mileage, (1) or other service features and functions, the Customer will pay the tariff rates for those additions as contained in Section 24-Metropolitan Statistical Area Access Services.
  - (14) Customer agrees not to resell any capacity on services covered under this Contract Offer No. 2 to a third party.
  - (15) If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 2 pursuant to F.C.C. No. 39, Section 2.1 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1 are fulfilled unless the proposed assignee or transferee demonstrates a lack of credit worthiness as described below, or 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.

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<sup>(1)</sup> See footnote (1) on page 25-11.

# 25.2 Contract Offer No. 2 - (1) Service Offer (Cont'd)

(D)

# 25.2.4 Dedicated Ring Service Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(15) 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.

### 25.2.5 Rates and Charges

(A)

Capacity	Monthly	Non
	Recurring	Recurring
	Rate	Rate
1.4 GB capacity of one $^{(1)}$ and $^{(1)}$	(1)	(1)

(D) (D)

(D) (D)

(This page filed under Transmittal No. 965 )

Issued: January 24, 2008

Effective: February 8, 2008

<sup>(</sup>B) Additional DS1, DS3,  $^{(1)}$ ,  $^{(1)}$  services can be purchased on this Dedicated Ring utilizing rates found in section  $^{(1)}$ .

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-11.

# 25.2 Contract Offer No.2 - (1) Service Offer (Cont'd)

#### (D)

### 25.2.6 Termination Liability

Termination liability as described below applies in lieu of the termination liability described in Tariff F.C.C. 39, Section <sup>(1)</sup>. If Customer terminates Contract Offer No. 2 before the completion of the Term Period for any reason, the 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 of service and are payable as described in Tariff F.C.C. 39, Section <sup>(1)</sup>. Customer's termination liability charges for termination of service shall be equal

(D)

(D)

• 50% of all recurring charges for the balance of Customer's 36 month (3 year) Term Period.

The termination liability charge will be calculated as follows:

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

Example: A Customer with a \$20,000 monthly rate terminates service after two months and has ten months remaining in a one year billing period. The termination liability charge would be calculated as:

 $$20,000 \times 10 \times 50\% = $100,000 \text{ termination liability charge.}$ 

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-11.

### 25. Pricing Flexibility Contract Offerings

# 25.3 Contract Offer No. 3 - $^{(1)}$ Service Offer

#### (D)

(D)

(D)

(D)

# 25.3.1 General Description

- (1) Service Offer (Contract Offer No. 3) permits Customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) to purchase a (1). Customers must meet the eligibility criteria described in Section 25.3.3. Contract Offer No. 3 is only available in the MSAs listed in Section 25.3.3(B).
- This offer is only available to customers currently purchasing  $^{(1)}$  with a maximum of 11  $^{(1)}$ . (D)

Contract Offer No. 3 is only available between September 2, 2004 and November 2, 2004.

## 25.3.2 Services Available Under (1) Service Offer

- (A) Contract Offer No. 3 applies to pricing-flexibilityqualified access services contained in the following tariff sections:
  - (1) DS1, DS3 and <sup>(1)</sup> Service SNET Tariff F.C.C. No. 39, (D) Section 7 and <sup>(1)</sup>. (D)
  - (2)  $^{(1)}$  Service SNET Tariff F.C.C. No. 39 Section 7 and  $^{(1)}$ . (D)
- (B) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 3 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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# 25.3 Contract Offer No. 3 - (1) Service Offer (Cont'd)

(D)

# 25.3.3 (1) Service Offer Eligibility Criteria

(D)

The following eligibility criteria must be met in order to receive the Dedicated Ring Service Offer:

- (A)Service must be a pricing flexibility qualified service listed in Section 25.3.2(A);
- (B) Service must be located in the Bridgeport, Hartford and New Haven, Connecticut MSAs.

# 25.3.4 (1) Service Offer Terms and Conditions

(D)

(D)

(D)

(D)

### (A) Term Period

The Term Period is 24 months (2 years), (the "Term Period"), commencing on the date the Telephone Company completes and Customer accepts the Dedicated Ring access service order. Billing will commence no later than 30 days after the Term Period commences. This offer is not renewable.

If at the expiration of the Term Period, the Customer elects to continue service, the customer may choose from payment options in accordance with the regulations as described in the following Tariff F.C.C. 39, Section 7 and  $^{(1)}$  for  $^{(1)}$ ,  $^{(1)}$  and  $^{(1)}$  Service, DS1 and DS3 Services.

If the Customer does not choose an option described above and elects not to discontinue service, the customer will automatically be billed the monthly rates found in Section 7.16 Phase 1 MSAs and 24.5.2.6 Phase 2 MSAs for DS1 and DS3 or the monthly extension rate found in Section (1) Phase 1 MSAs (1) Phase 2 MSAs for (1) Service.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-18.

## 25.3 Contract Offer No. 3 - (1) Service Offer (Cont'd)

(D)

(D)

# 25.3.4 $^{(1)}$ Service Offer Terms and Conditions (Cont'd)

## (B) Terms and Conditions

- (1) Contract Offer No. 3 is only available September 2, 2004 through November 2, 2004.
- (2) If Customer should discontinue service under Contract Offer 3 during the Term Period, termination liability charges will be determined in accordance with Section 25.3.6.
- (3) Customer must subscribe to Contract Offer No. 3 in accordance with the regulations set forth in Tariff F.C.C. 39, Section 5.
- (4) Rate stability during the term period applies only to the rates specific to Contract Offer No. 3 as described in Section 25.3.5.
- (5) Purchase of the services listed above under Contract Offer 3 are also subject to general terms and conditions of F.C.C. Tariff No. 39 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 regulations described in Contract Offer No. 3.
- (6) If after the Telephone Company receives the 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.

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<sup>(1)</sup> See footnote (1) on page 25-18.

25.3 Contract Offer No. 3 - (1) Service Offer (Cont'd)

(D)

(D)

(D)

(D)

(D)

- 25.3.4  $\underline{}^{(1)}$  Service Offer Terms and Conditions (Cont'd)
  - (B) Terms and Conditions (Cont'd)
    - (7) During the Term Period, the Customer may issue service orders increasing nodes and/or mileage of the  $^{(1)}$  in accordance with the FCC 39, Section 7 and  $^{(1)}$ .
    - (8) Customer must purchase a Dedicated Ring with the following capacity requirements.

(1)	(1)	(D)
<sup>(1)</sup> Mileage	90 to 95	(D)

- (9) Customer will not be able to subscribe to any future contract offerings in section 25 in conjunction with Contract Offer No. 3.
- (10) Customer must maintain a Monthly Minimum <sup>(1)</sup> Revenue Commitment (MMPRC) of \$7000 with any combination of DS1, DS3 and <sup>(1)</sup> services. The total <sup>(1)</sup> monthly rate will be determined by the <sup>(1)</sup> quantity multiplied by the port rate in section 25.3.5 (A). The total <sup>(1)</sup> monthly rate can not be less than the MMPRC.
- (11) Customer can disconnect unlimited DS1 and DS3 <sup>(1)</sup>, but (D) must maintain their <sup>(1)</sup> Revenue Commitments. Customers (D) who subscribe to Contract Offer No. 3 may move a <sup>(1)</sup> (D) from one <sup>(1)</sup> to another <sup>(1)</sup> on the <sup>(1)</sup> (as described in (D) Tariff F.C.C. 39, section 2.11.5.) and will not incur termination liability. Disconnect orders associated with <sup>(1)</sup> to <sup>(1)</sup> moves do not have to be coordinated with add orders provided the following conditions are met:
  - (a) new service location is within the same MSA as the original service.
- (12) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 3, the Customer must pay the Telephone Company time and material charges for each modification as described in Tariff F.C.C. 39, Section 7 and <sup>(1)</sup>. Modifications of services include, but are not limited to: reconfiguration of existing <sup>(1)</sup>, shelf rearrangements, <sup>(1)</sup> moves, <sup>(1)</sup> provisioning changes and customer premises rearrangements.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-18.

# 25.3 Contract Offer No. 3 - (1) Service Offer (Cont'd)

(D)

(D)

# 25.3.4 (1) Service Offer Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (13) If the Customer requests additional, (1), (1) mileage, (1) or other service features and functions, the Customer will pay the tariff rates for those additions as contained in Section 7-Special Access and 24-Metropolitan Statistical Area Access Services, except for DS1 and DS3 ports as specified in 25.3.5 (B).
  - (14) Customer may not resell any capacity on services covered under this Contract Offer No. 2 to a third party.
  - (15) If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 3 pursuant to F.C.C. No. 39, Section 2.1 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1 are fulfilled unless the proposed assignee or transferee demonstrates a lack of credit worthiness as described below, or 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;
    - 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 the rating organization for a possible downgrade.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-18.

# 25.3 Contract Offer No. 3 - (1) Service Offer (Cont'd)

(D)

# 25.3.4 (1) Service Offer Terms and Conditions (Cont'd)

(D)

# (B) Terms and Conditions (Cont'd)

(16) 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.

### 25.3.5 Rates and Charges

(A)

Capacity	Monthly	Non
	Recurring	Recurring
	Rate	Rate
(1) 10 - 11 (1)	(1)	(1)

(D)

(1)	Monthly	Non	(D)
	Recurring	Recurring	
	Rate	Rate	
DS1 Port on a <sup>(1)</sup>	(1)	Section (1)	(D)
DS3 Port on a (1)	(1)	Section (1)	(D)
(1) Port on a (1)	(1)	Section (1)	(D)

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-18.

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.3 Contract Offer No. 3 (1) Service Offer (Cont'd)

### 25.3.6 Termination Liability

Termination liability as described below applies in lieu of the termination liability described in Tariff F.C.C. 39, Section <sup>(1)</sup>. If Customer terminates Contract Offer No. 3 before the completion of the Term Period for any reason, the 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 of service and are payable as described in Tariff F.C.C. 39, Section <sup>(1)</sup>. Customer's termination liability charges for termination of service shall be equal

(D)

(D)

(a) 50% of all recurring charges for the balance of Customer's 24 month (2 year) Term Period.

The termination liability charge will be calculated as follows:

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

Example: A Customer with a \$20,000 monthly rate terminates service after fourteen months and has ten months remaining in a two year billing period. The termination liability charge would be calculated as:

 $$20,000 \times 10 \times 50\% = $100,000 \text{ termination liability charge.}$ 

 $^{(1)}$  See footnote (1) on page 25-18.

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TARIFF F.C.C. NO. 39 2nd Revised Page 25-25 Cancels 1st Revised Page 25-25

ACCESS SERVICE

25. <sup>(1)</sup>

(This page filed under Transmittal No. 965)

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-25.

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-25.

25. <sup>(1)</sup>

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-25.

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-25.

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-25.

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-25.

### 25. Pricing Flexibility Contract Offerings

# 25.5 Contract Offer No. 5 - $^{(1)}$ Service Offer

# (D)

# 25.5.1 General Description

Service Offer (Contract Offer No. 5) permits Customers (D) located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay discounted rates listed in Section 25.5.4.(A) for the renewal of an existing <sup>(1)</sup>. Contract Offer No. 5, is a renewal for 18 (D) months with three (3) six (6) month extension periods.

# 25.5.2 Eligibility Criteria

- (A) The following eligibility criteria must be met in order to receive the Contract Offer No. 5 discount:
  - (1) Service must be located in the following Pricing Flexibility MSA: Bridgeport, Connecticut and Hartford, Connecticut.
- (B) Contract Offer No. 5 applies to pricing flexibility qualified access services contained in the following tariff sections:
  - (1) DS1, DS3 and  $^{(1)}$  Service SNET Tariff F.C.C. No. 39, (D) Section 7 and  $^{(1)}$ . (D)(2)  $^{(1)}$  Service - SNET Tariff F.C.C. No. 39 Section  $^{(1)}$  and  $^{(1)}$ . (D)
- (C) All terms and conditions for the qualified 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook. Contract Offer No. 5 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 contract (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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# 25.5 Contract Offer No. 5 - (1) Service Offer (Cont'd)

(D)

### 25.5.3 Terms and Conditions

### (A) Term Period

The contract renewal is an 18 month period (Term Period), commencing on the date the Telephone Company completes the access service order. Billing will commence no later than 30 days after the Term Period commences. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in:

- (1) SNET Tariff F.C.C. No. 39, Section 7 for (1), (1) and (1) For (1) Service; (D)
- (2) SNET Tariff F.C.C. No. 39, Section 7 for DS3 and DS1 Services; and
- (3) SNET Tariff F.C.C. No. 39, Section  $^{(1)}$  for  $^{(1)}$ ,  $^{(1)}$  (D) and  $^{(1)}$  for  $^{(1)}$  Service; (D)

If, at expiration, the Customer does not select a payment option as described above, or does not choose to disconnect service, the services will be converted to monthly rates found in Section 7.16 Phase 1 MSAs and 24.5.2.6 Phase 2 MSAs for DS1 and DS3, or the monthly extension rate found in Section 23.2 Phase 1 MSAs (1) Phase 2 MSAs for (1) Service. (D)

 $^{(1)}$  See footnote (1) on page 25-32.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.5 Contract Offer No. 5 - (1) Service Offer (Cont'd)

#### 25.5.3 Terms and Conditions (Cont'd)

# (B) Terms and Conditions

- (1) Contract Offer No. 5 is only available November 13, 2004, through December 13, 2004;
- (2)Customer must submit a Letter of Authorization/Firm Order Commitment (LOA-FOC);
- (3) Contract Offer No. 5 can be renewed for three (3) six (6) month periods following the initial 18 month term expiration at the same rates specified in Section 25.5.4(A).
- (4) If the Customer should discontinue service under Contract Offer 5 during the Term Period, termination liability charges will apply in accordance with Section 25.5.5.
- (5) Customer must subscribe to the services available under this Contract Offer No. 5 in accordance with the regulations set forth in SNET Tariff F.C.C. 39, Section 5 Ordering Options for Special & Switched Access Service.
- (6) Rate stability during the term period applies only to the rates specific to Contract Offer No. 5, as described in Section 25.5.5.
- (7) Purchase of the services listed above under Contract Offer 5 are also subject to general terms and conditions of F.C.C. Tariff No. 39, 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 regulations described in Contract Offer No. 5.
- (8) If, after the Telephone Company receives the Letter of Authorization-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges shall apply. The Customer must pay to the Telephone Company cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation.

(This page filed under Transmittal No. 965)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-32.

# 25.5 Contract Offer No. 5 - (1) Service Offer (Cont'd)

(D)

#### 25.5.3 Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (9) During the Term Period, the Customer shall issue service orders increasing (1) and/or mileage of the (1) in accordance with the regulations set forth in SNET Tariff F.C.C. 39, Sections 7 and (1).

(D) (D)

(D)

(10) Customer must purchase a  $^{(1)}$  with the following capacity  $(\!D\!)$  requirements:

(1)	(1)	
(1)	(1)	

Customer has the ability to add  $^{(1)}$  above the 12 at the rates specified in Section 25.5.5 (A). Customer has the ability to remove 2  $^{(1)}$  during the course of the 18 month initial term without incurring termination liability, and the Monthly Recurring Rate (MRC) will decrease at the rate specified in Section 25.5.5 (A). Any addition to the  $^{(1)}$  within the last 12 months will be at full tariff rates as specified in Section 24, except for  $^{(1)}$  as specified in Section 25.5.5 (A).

(D)

(D)

(D)

(D)

(D)

(D)

(D)

- (11) Customer will not be able to subscribe to any future contract offerings in Section 25 in conjunction with Contract Offer No. 5.
- (12) Customer must maintain a Monthly Minimum <sup>(1)</sup> Revenue Commitment (MMPRC) of \$7000 with any combination of DS1, DS3 and <sup>(1)</sup> services. The total <sup>(1)</sup> monthly rate will be determined by the <sup>(1)</sup> quantity multiplied by the <sup>(1)</sup> rate in Section 25.5.5 (A). The total <sup>(1)</sup> monthly rate cannot be less than the MMPRC.
- (13) Customer will be able to disconnect unlimited DS1 and DS3 <sup>(1)</sup>, but must maintain their <sup>(1)</sup> Revenue (D) Commitments. Customers who subscribe to Contract Offer No. 5 may move a <sup>(1)</sup> from one <sup>(1)</sup> to another <sup>(1)</sup> on the (D) <sup>(1)</sup> (as described in SNET Tariff F.C.C. 39, section 2.11.5), and will not incur termination liability. Disconnect orders associated with <sup>(1)</sup> to <sup>(1)</sup> moves do not have to be coordinated with add orders provided the following conditions are met:
  - (a) new service location is within the same MSA as the original service.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-32.

# 25.5 Contract Offer No. 5 - (1) Service Offer (Cont'd)

(D)

### 25.5.3 Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (14) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 5, the Customer must pay the Telephone Company time and material charges for each modification as described in SNET Tariff F.C.C. 39, Sections 7 and <sup>(1)</sup>. Modifications of services include, but are not limited to, reconfiguration of existing <sup>(1)</sup>, shelf rearrangements, <sup>(1)</sup> moves, <sup>(1)</sup> provisioning changes and customer premises rearrangements.
- (D)

(D)

(D)

- (15) If the Customer requests additional <sup>(1)</sup>, <sup>(1)</sup>, drop ports or other service features and functions, the Customer will pay the tariff rates for those additions as contained in Section 7-Special Access and 24-Metropolitan Statistical Area Access Services, except for DS1 and DS3 <sup>(1)</sup> as specified in 25.5.4 (A).
- (D)
- (16) Customer may not resell any capacity on services covered under Contract Offer No. 5 to a third party.
- (17) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 5 pursuant to SNET F.C.C. No. 39, Section 2.1 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1 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).

(This page filed under Transmittal No. 965)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-32.

(D)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.5 Contract Offer No. 5 - (1) Service Offer (Cont'd)

25.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(17) 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 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.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-32.

(D)

(D)

(D)

(D) (D)

(D)

(D)

#### ACCESS SERVICES

### 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.5 Contract Offer No. 5 - (1) Service Offer (Cont'd)

#### 25.5.4 Rates and Charges

(A)

Capacity	Monthly Recurring Rate	Non Recurring Rate
<sup>(1)</sup> and 12 <sup>(1)</sup>	(1)	(1)
(1)	(1)	(1)

(1)	Monthly	Non	
	Recurring	Recurring	
	Rate	Rate	
DS1 <sup>(1)</sup> on a <sup>(1)</sup>	\$27	\$250	
DS3 <sup>(1)</sup> on a <sup>(1)</sup>	\$112.50	\$250	
<sup>(1)</sup> on a <sup>(1)</sup>	(1)	(1)	

### 25.5.5 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in SNET Tariff F.C.C. 39, Section <sup>(1)</sup>. If Customer terminates Contract Offer No. 5 before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described in this section. These termination liability charges shall become due as of the effective date of the termination of service, and are payable pursuant to Tariff F.C.C. 39, Section <sup>(1)</sup>. Customer's termination liability charges for termination of service shall be equal to:

50% of all recurring charges for the balance of Customer's 18 month Term Period.

The termination liability charge will be calculated as follows:

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

Example: A Customer with a \$20,000 monthly rate terminates service after fourteen (14) months and has ten (10) months remaining in a two (2) year billing period. The termination liability charge would be calculated as:

 $$20,000 \times 10 \times 50\% = $100,000 \text{ termination liability charge.}$ 

Effective: February 8, 2008

 $^{(1)}$  See footnote (1) on page 25-32.

Issued: January 24, 2008

(This page filed under Transmittal No. 965)

Four AT&T Plaza, Dallas, Texas 75202

(D)

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings

### 25.6 Contract Offer No. 6 - Special Access Service Offer

#### 25.6.1 General Description

The Special Access Service Offer (Contract Offer No. 6) is an access discount pricing plan requiring subscription for Customers under the following Access Tariffs: Ameritech Operating Companies Tariff F.C.C. No 2, Nevada Bell Telephone Company Tariff F.C.C. No. 1, 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 (SNET) Tariff F.C.C. No. 39. The plan requires Customers to maintain a Minimum Annual Revenue Commitment (MARC) for five (5) years. Contract Offer No. 6 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 Southern New England Telephone Company (SNET) are listed in Section 25.6.3(B) following. The Customer must meet the Eligibility Criteria as described in Section 25.6.2 and the Terms and Conditions as described in Section 25.6.3. The Special Access Service Offer (Contract Offer No. 6) is an

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 25.6.4(D), otherwise termination liability charges will apply. Contract Offer No. 6 will only be available November 17, 2004 through January 17, 2005.

### 25.6.2 Eligibility Criteria

The following Eligibility Criteria must be met in order to receive Contract Offer No. 6 discounts:

(A) Contract Offer No. 6 is only available for services located in the following Metropolitan Statistical Areas (MSAs): Bridgeport, Hartford and New Haven, CT.

If the Telephone Company receives pricing flexibility relief on 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 25.6.4.

- (B) The Customer cannot subscribe to this Contract Offer concurrently with SBC's MVP offering;
- (C) The Customer must have a minimum of \$18.5 million in cumulative annual recurring revenue for Voice Grade (VG), Digital Data Service (DS0), High Capacity (DS1 & DS3), (1), (1) and (1) from this Contract Offer and the Contract Offers listed in Section 25.6.3(A).

(1) Material previously contained in this section has been deleted. OCN PTP, GigaMAN and 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. 6 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 contract (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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## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

#### 25.6.2 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 25.6.3(H) and will be measured monthly.

### 25.6.3 Terms and Conditions

## (A) Concurrent Subscription

The Customer must concurrently subscribe to the parallel Contract Offers of Contract Offer No. 6 pursuant to the following tariffs:

- Southwestern Bell Tariff F.C.C No. 73, Section 41, (1)Contract Offer No. 31.
- Ameritech Tariff F.C.C. No. 2, Section 22, Contract (2) Offer No. 43.
- Nevada Bell Tariff F.C.C. No. 1, Section 23, (3) Contract Offer No. 2.
- Pacific Bell Telephone Company Tariff F.C.C. No. 1, (4)Section 33, Contract Offer No. 34.

#### (B) Subject Services

Contract Offer No. 6 applies to pricing-flexibilityqualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

- (1)VG/DS0 Services - SNET Tariff F.C.C. No. 39 Sections 7.9.4 and 7.15.4 for Phase I MSAs, and Sections 24.5.2.1 and 24.5.2.5 for Phase II MSAs;
- DS1/DS3 Service SNET Tariff F.C.C. No. 39, (2) Sections 7.16.4 for Phase I MSAs and Section 24.5.2.6 for Phase II MSAs;
- (1)

(3)

(4)

(1) (5)

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 25.6.4.

 $^{(1)}$  See footnote (1) on page 25-39.

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(D)

## 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

## 25.6.3 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. 6 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 25.6.4 and the application of discounts is detailed in Section 25.6.5.

### (E)General

Services are subject to certain rates, charges, and general terms and conditions in other sections of F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, 8-Testing, Maintenance and Additional Labor & 13-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)

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.6 Contract Offer No. 6 - DS1, DS3, (1) Service Offer (Cont'd)

(D)

### 25.6.3 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 25.6.8.

If the Customer fails to maintain any of the Terms and Conditions detailed in Section 25.6.3, 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 25.6.8.

#### (G) Minimum Annual Revenue Commitment (MARC)

Customer must maintain a MARC (as described in Section 25.6.4) for each year in the Term Period of this Contract Offer.

#### (H) Access Service Ratio

As referenced in Section 25.6.2(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	7.9.1-3
DS0, DS1, and DS3 Services	7.16.1-3
(1)	(1)
(1)	(1)
(1)	(1)

(D)

(D)

(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 25-39.

(This page filed under Transmittal No. 967)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

# 25.6.3 Terms and Conditions (Cont'd)

(H) Access Service Ratio (Cont'd)

TABLE B:

Service	Aggogiated Pate Floments Not Insluded	
Level	Associated Rate Elements Not Included in Interstate Tariff	
пелет	In interstate failiff	
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	
DD3/ E13	DS3 Entrance Facilities	
	DS3 Interoffice Transport	
	DS3 Cross Connects	
	DS1/DS3 Multiplexing	
	All DS3 non-tariffed Committed	
	Information Rate Broadband	
	Services	
OC-3	OC-3 Entrance Facilities	
OC-12	OC-3 Interoffice Transport	
OC-12 OC-48	OC-3 Cross Connects	
00-40	OC-3 Cross Connects OC-3 Multiplexing	
	OC-12 Entrance Facility	
	OC-12 Interoffice Transport	
	OC-12 Interoffice framsport	
	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	
Transport	Dark Fiber - Interoffice  Dark Fiber - Loop	
Products	Dark Fiber - Subloop	
FIOGUCES	Dark Fiber Cross Connects	
	Unbundled Dedicated Transport	
	ombanatea beatcatea fransport	

(N)

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

#### 25.6.3 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 25.6.8.
- (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 25 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 25.6.8 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes).

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# 25. <a href="Pricing Flexibility Contract Offerings">Pricing Flexibility Contract Offerings</a> (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

#### 25.6.3 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 2.8.2 and Section 25.6.3 (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 25.6.4 (B). Customer shall not incur any termination liability under the relevant tariffs as a result of adding any such Company Code(s).

### 25.6.4 Minimum Annual Revenue Commitment (MARC)

#### (A) Calculation of the MARC

Under Contract Offer No. 6, 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 25.6.3 (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 25.6.3 (C)) for all Subject Services identified in Section 25.6.3 (B) from the SBC Tariffs identified in Section 25.6.3 (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.

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(N)

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.4 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 25.6.2, 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 25.6.4 (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 25.6.3 (L) will be included in the calculation used to achieve the MARC effective upon the commencement of the Term Period.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.4 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 25.6.3(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 25.6.3(C)) shall be eliqible for the MARC discounts as detailed in Section 25.6.5 (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 25.6.5 (A)(2) or win-back credits detailed in Section 25.6.5 (E).

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(N)

- 25.6 Contract Offer No. 6 Special Access Service Offer (Cont'd)
  - 25.6.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)
    - (B) Calculations to Achieve the MARC (Cont'd)
      - (2) Revenue from Subsequently Added Services:
        - (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 25.6.4 (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 25.6.3 (C). The recurring revenue from Subject Services of these Company Codes shall be eligible for the MARC discounts detailed in Section 25.6.5 (A)

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.4 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 Merger and Acquisition provisions discussed in Section 25.6.7 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 25.6.5 (B)) will apply for the remainder of the Contract Term Period, discounts previously provided during that contract year will be rerated retroactively to reflect the reduced discount level, and certain provisions shall no longer apply as detailed in Section 25.6.5 (B).

If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 25.6.7, 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 25.6.2, Terms and Conditions in Section 25.6.3 and the quarterly MARC schedule in Table D Section 25.6.5 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 25.6.5.

(N)

25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

25.6.4 Minimum Annual Revenue Commitment (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 25.6.8.

(N)

(N)

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

#### 25.6.5 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 25.6.5 (A)(2) below. Recurring revenue from Company Codes added pursuant to Section 25.6.3 (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.

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Table D:

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Quarter	% of MARC
1st	25%
2nd	50%
3rd	75%
4th	100%

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

## 25.6.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (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 25.6.3 (L) or Section 25.6.7.

(N)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.5 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 25.6.4~(C)

TABLE E:

Adjustment	10%	20%
Discounts	Year 2 - 3%	Year 2 - 2%
	Year 3 - 4%	Year 3 - 2%
	Year 4 - 5%	Year 4 - 3%
	Year 5 - 6%	Year 5 - 3%
Above MARC	Will only apply to	Will only apply to
discount	revenue above the	revenue above the
	MARC used as the	MARC used as the
	basis of the	basis of the
	adjustment or the	adjustment or the
	recurring revenue	recurring revenue
	from the previous 3	from the previous 3
	months multiplied	months multiplied
	by 4, whichever is	by 4, whichever is
	lower.	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 =  $(\$18M \times 80\%)$ .

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 \times 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  ${\tt E}$ .

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(N)

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.6 Contract Offer No. 6 - DS1, DS3, (1) Service Offer (Cont'd)

### (D)

# 25.6.5 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, OCN PTP, GigaMan, and Dedicated SONET Ring 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 25.6.2 and the Terms and Conditions of this Contract Offer as specified in Section 25.6.3. If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 25.6.4 (A) and fails to pay the Annual True-Up as defined in Section 25.6.4, the Customer will be backbilled the previous 12-months non-recurring charges previously waived or credited.

### (D) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of DS1, DS3, and OCN PTP Services. 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 25.6.2, and Terms and Conditions in Section 25.6.3 have been met. If the Customer fails to meet the MARC on each contract anniversary date pursuant to Section 25.6.4 (A) and fails to pay the Annual True-Up as defined in Section 25.6.4 (D), the Customer will be back-billed the previous 12-months charges that were waived or credited for termination liability charges.

(1) See footnote (1) on page 25-39.

(This page filed under Transmittal No. 967)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.6 Contract Offer No. 6 - DS1, DS3, (1) Service Offer (Cont'd) (D)

### 25.6.5 Discounts and Other Credits (Cont'd)

- (D) Portability (Cont'd)
  - (1) The move, disconnect, and/or new service may be from any SBC Tariff as described in Section 25.6.1.
  - (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 No. 6, provided that the Eligibility Criteria in Section 25.6.2, and Terms and Conditions in Section 25.6.3 have been met.

(3) DS3, (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,  $^{(1)}$ , (D) and  $^{(1)}$  throughout the Contract Term Period as long as the (D) DS3,  $^{(1)}$  or  $^{(1)}$  has been in service for a minimum of one (1) (D) year from the original installation date, and provided that the Eligibility Criteria in Section 25.6.2 and Terms and Conditions in Section 25.6.3 have been met.

(This page filed under Transmittal No. 967)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-39.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.5 Discounts and Other Credits (Cont'd)

(4) (1)

The Telephone Company will credit the Customer, quarterly, for any termination liability charges assessed and not disputed for the move and/or disconnection of <sup>(1)</sup> or <sup>(1)</sup> throughout Contract Term (D) Period, as long as the <sup>(1)</sup> or <sup>(1)</sup> has been in service (D) for a minimum of three (3) years from the original installation date, and provided that the Eligibility Criteria in Section 25.6.2 and Terms and Conditions in Section 25.6.3 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 <sup>(1)</sup>, <sup>(1)</sup>, <sup>(1)</sup>, <sup>(1)</sup>, and/or <sup>(1)</sup> service moved to the Telephone Company's (D) 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.
- (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.

(This page filed under Transmittal No. 967)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-39.

(M/)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 6 pursuant to F.C.C. No. 39, Section 2.5.5. of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, 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.

### 25.6.7 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 6 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 25.6.4 (A) or Calculations to Achieve the MARC discussed in Section 25.6.4 (B), except as permitted by one of the provisions in this subsection.

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### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.7 Mergers and Acquisitions (Cont'd)

The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 25.6.2 and 25.6.3 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 25.6.4 (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.

(N)

(N)

(N)

(N)

## 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.7 Mergers and Acquisitions (Cont'd)

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 25.6.4 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.

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 25.6.5 (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 25.6.5 (A) (2) for revenue above the new combined MARC.

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

#### 25.6.7 Mergers and Acquisitions (Cont'd)

## 25.6.7.1 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 and inclusion of the recurring revenue from Subject Services from the other company 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 25.6.3 (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 25.6.4 (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 25.6.3 (H).

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(N)

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- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.6 Contract Offer No. 6 Special Access Service Offer (Cont'd)

25.6.7 Mergers and Acquisitions (Cont'd)

25.5.7.1 Merger and Acquisition Provisions (Cont'd)

(A) <u>Mergers and Acquisitions - Access Services Ratio</u>
Impacting (Cont'd)

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 25.6.8. 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 25.6.3 (H) and the contract will not be considered in default, however, each party shall take all reasonable steps to comply as soon as possible.

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	Required Conversion
Period	Level
1st	10%
2nd	20%
3rd	50%
4th	75%
5th	85%
6th	100%

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- 25.6 Contract Offer No. 6 Special Access Service Offer (Cont'd)
  - 25.6.7 Mergers and Acquisitions (Cont'd)
    - 25.6.7.1 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 no 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 25.6.7.1 (A)(1)(d).

(N)

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

### 25.6.7 Mergers and Acquisitions (Cont'd)

- 25.6.7.1 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 (from the date this option is selected) for Subject Services for the other Company involved in merger and 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 25.6.3 (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.

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(N)

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Merger and Acquisition - Access Services Ratio 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 of applicable monthly recurring Special Access revenue, from the date this option is selected 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 25.6.7 (A) (4).

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(N)

25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions - Access Services Ratio 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 billed to the Telephone Company to the Customers existing MARC as 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 for 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% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

- 1

(N)

## 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

## 25.6.8 Termination Liability

### (A) Termination Liability Charges

If the Customer terminates Contract Offer No. 6 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 eliqibility criteria in Section 25.6.2, or fails to meet any of the Terms and Conditions in Section 25.6.3, 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. 6 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 39, Section 2.8.2.

The Customer's termination liability charge shall be equal to: 100% of all Discounts under Contract Offer No. 6 for the six (6) months immediately prior to the date

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 the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.

(This page filed under Transmittal No. 839)

(N)

 $(N_1)$ 

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.6 Contract Offer No. 6 - Special Access Service Offer (Cont'd)

## 25.6.8 Termination Liability (Cont'd)

- (A) Termination Liability Charges (Cont'd)
  - (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 25.6. 2 and all Terms and Conditions in Section 25.6.3 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 sixmonths 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 25.6.4 (C).

(C) This Section 25.6.8 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 6, 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 25.6.5 (C) and (D).

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TARIFF F.C.C. NO. 39 2nd Revised Page 25-68 Cancels 1st Revised Page 25-68

#### ACCESS SERVICE

25. <sup>(1)</sup> (D)

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Issued: January 24, 2008 Effective: February 8, 2008

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 7 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-69 Cancels 1st Revised Page 25-69

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-68.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-70 Cancels 1st Revised Page 25-70

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-68.

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-68.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-72 Cancels 1st Revised Page 25-72

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-68.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-73 Cancels 1st Revised Page 25-73

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-68.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-74 Cancels 1st Revised Page 25-74

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-68.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-75 Cancels 1st Revised Page 25-75

#### ACCESS SERVICE

25. <sup>(1)</sup> (D)

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services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 8 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

# ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-75.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-77
Cancels 1st Revised Page 25-77

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-75.

# ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-75.

# ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-75.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-80 Cancels 1st Revised Page 25-80

# ACCESS SERVICE

25. <sup>(1)</sup>

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-75.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-81 Cancels 1st Revised Page 25-81

ACCESS SERVICE

25. <sup>(1)</sup>

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-75.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-82 Cancels 1st Revised Page 25-82

#### ACCESS SERVICE

25. <sup>(1)</sup>

(This page filed under Transmittal No. 965)

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services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 9 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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2nd Revised Page 25-83
Cancels 1st Revised Page 25-83

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{(1)}$  See footnote (1) on page 25-82.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-84 Cancels 1st Revised Page 25-84

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-82.

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-82.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-86 Cancels 1st Revised Page 25-86

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-82.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-87 Cancels 1st Revised Page 25-87

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-82.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-88 Cancels 1st Revised Page 25-88

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-82.

(N)

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 $(\mathbf{M}\mathbf{x})$ 

(N)

# 25. Pricing Flexibility Contract Offerings

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer

# 25.10.1General Description

Managed Value Plan (MVP) DS1, DS3 and OCN Service Offer ("Contract Offer No. 10") 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 OCN Services as described in Section 25.10.2. In order to receive the discount, Customers must meet the Eligibility Criteria as described in Section 25.10.3 and are subject to the Terms and Conditions as described in Section 25.10.4. Customers will continue to receive MVP discounts provided that they meet their MVP contract obligations in Section 25 of F.C.C. No. 39 Tariff.

Customers must commit to a Current Annual Revenue Commitment (CARC), as described in Section 25.10.5. 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 25.10.6, otherwise termination liabilities will apply.

Contract Offer No. 10 will only be available between February 23, 2005, through March 25, 2005.

#### 25.10.2Services Available Under Contract Offer No. 10

(A) Contract Offer No. 10 offers discounts on the recurring rates for the Price Flex eligible DS1, DS3 and OCN 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 25.10.4(C). The discounts also apply to the Subject Services that are counted toward achievement of the CARC or any temporary CARC pursuant to Section 25.10.8.

Service	General / Basic Description	Phase 1 MSAs Rates and Charges	Phase 2 MSAs Rates and Charges
DS1 and DS3 Services	7.16.1	7.16.4	24.5.2
Optical Carrier Network (OCN) Point-to-Point Service	23.1	23.3	24.5.2

(x) Issued under authority of Special Permission No. 05-010 of F.C.C.

(This page filed under Transmittal No. 858)

# 25. Pricing Flexibility Contract Offerings

(N)

- 25.10 Contract Offer No. 10 MVP DS1, DS3 and OCN Service Offer (Cont'd)
  - 25.10.2 Services Available Under Contract Offer No. 10 (Cont'd)
    - (B) Purchase of the Subject Services listed above pursuant to Contract Offer No. 10 are subject to the specific terms and conditions of Section 25.10.4. Additionally purchase of the services listed above pursuant to Contract Offer No. 10 are also subject to the general terms and conditions of Tariff F.C.C. No. 39 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. 10.
  - 25.10.3 Eligibility Criteria for Contract Offer No. 10
    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. 10 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.
    - (B) Customer must also concurrently subscribe to the identical contract offers of Contract Offer No. 10 pursuant to the following tariffs:
      - SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 35;
      - PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 41; and
      - AIT Tariff F.C.C. No. 2, Section 22, Contract Offer No. 47.
- (x) Issued under authority of Special Permission No. 05-010 of F.C.C.

 $(\mathbf{N}\mathbf{x})$ 

(N)

(Nx)

(11)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

# 25.10.4 Terms and Conditions

# (A) Term Period

The contract Term Period will commence on April 1, 2005, once 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 25.10.3. The Credits will be applied within 30 days after each billing cycle.

(C) This Contract Offer No. 10 is only available for Subject Services located in the following MSAs:

Pricing-Flexibility MSAs: New Haven, Hartford, and Bridgeport, CT.

(D) Contract Offer No. 10 provides a discount of 50% off the monthly recurring tariff rates listed in Section 25.10.2 (A) for existing and new Subject Services. Example:

Subject Services Monthly Recurring Charge = \$2000 50% Discount = \$1000

- (E)Customer must maintain a Current Annual Revenue Commitment (CARC) (as described in Section 25.10.5) for the calendar years of 2005, 2006 and 2007.
- (F) Customer agrees to a quarterly true-up as described in Section 25.10.6 for the calendar years of 2005, 2006 and 2007.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

#### 25.10.4 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 SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 1 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.

#### 25.10.5 Current Annual Revenue Commitment

Under Contract Offer No.10, Customer must maintain a Current Annual Revenue Commitment (CARC) of \$3,785,000 for each year of the Contract Offer.

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. 10 and termination liability charges will apply as set forth in Section 25.10.7.

# 25.10.6 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

# 25.10.6 Quarterly True-Up (Cont'd)

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. 10, 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 = \$3,785,000Less actual quarterly revenue (\$1.5M) X 4 (annualized) = \$2,000,000Annual Projected Gap = \$1,785,000

- (A) If there is a positive Annual Projected Gap as measured above for the quarter the Customer must to make Quarterly True-Up payments. Quarterly True-Up payments will be calculated using the percentages in section 25.10.6 (B) and will be applied to the Annual Projected Gap to determine the gap payment. See Example B in Section 25.10.6.
- (B) Quarterly True-up payments will be calculated utilizing the following percentiles:

Quarter	Percent	
1st	0%	
2nd	25%	
3rd	66%	
4th	100%	

Example B: Quarterly True-up

1st Quarter 2006
Actual revenue 1st Quarter:
January = \$ 25,000
February = \$ 50,000
March = \$ 50,000
Total = \$ 125,000

(This page filed under Transmittal No. 858)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

# 25.10.6 Quarterly True Up (Cont'd)

# Example B: Quarterly True-up (Cont'd)

CARC = \$3,785,000

Less actual 3 months revenue

 $(\$0.125M) \times 4 \text{ (annualized)}: = \$ 500,000$ 

Annual Projected Gap = \$3,285,000

 $$3,285,000 \times 0\% = $0.00$ Quarterly True-up payment

#### 2nd Quarter 2006

Actual revenue 1st and 2nd Quarter:

January = \$ 25,000 February = \$ 50,000 March = \$ 50,000 April = \$ 75,000 May = \$ 75,000 June = \$ 100,000 Total = \$ 375,000

CARC = \$3,785,000

Less actual 6 months revenue  $(\$0.375M) \times 2 \text{ (annualized)}: = \$750,000$ Annual Projected Gap = \$3,035,000

 $$3,035,000 \times 25\% = $758,750$  Quarterly True-up payment

#### 3rd Quarter 2006

Actual revenue 1st, 2nd and 3rd Quarter

January= \$ 25,000 February= \$ 50,000 March= \$ 50,000 April= \$ 75,000 May= \$ 75,000 June= \$ 100,000 July= \$ 100,000 August= \$ 125,000 September= \$ 125,000 Total= \$ 725,000

CARC = \$3,785,000

Less (9 months actual revenue +

2nd Quarter Gap payment) x 1.33:(\$725,000 + \$758,750)

x = \$1,483,750

Annual projected Gap = \$2,301,250 \$2,301,250 x 66% = \$1,518,825 Quarterly True-up payment

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

#### 25.10.6 Quarterly True Up (Cont'd)

#### Example B: Quarterly True-up (Cont'd)

# 4th Quarter 2006

Actual revenue 1st, 2nd, 3rd and 4th Quarter January= \$ 25,000 February= \$ 50,000 March = \$ 50,000 = \$ 75,000 April = \$ May 75,000 June = \$ 100,000 July = \$ 100,000 = \$ 125,000 August = \$ 125,000 September October = \$ 150,000 November = \$ 150,000 December = \$ 160,000 Total = \$1,185,000

 $$322,425 \times 100\% = $322,425$  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.

\$1,185,000 (end of year actual revenue)+ \$758,750 (2nd Quarter Gap Payment)+ \$1,518,825 (3rd Quarter Gap Payment)+ \$322,425 (4th Quarter Gap Payment)= \$3,785,000.

- (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 Customer's account the amount exceeding the CARC, but not greater than the total gap payments the Customer has made.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

# 25.10.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 10 pursuant to F.C.C. No. 39, 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. 39, 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.

#### 25.10.8 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 10 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 Subject Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Subject Services of the other company or the assets constituting an operating business involved in the merger or acquisition will not be used in Current Annual Revenue Commitment (MARC) as discussed in Section 25.10.5 , except as permitted by one of the provisions in this subsection.

(This page filed under Transmittal No. 858)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

#### 25.10.8 Mergers and Acquisitions (Cont'd)

The Customer must be meeting CARC commitments (or be current in paying any shortfall between the Annual CARC and actual Annual Billing) and all Eligibility Criteria and Terms and Conditions outlined in Sections 25.10.3 and 25.10.4 in order to exercise the provisions under this subsection.

Recurring revenue from Subject Services from the other entity involved in the merger or acquisition 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 two (2) 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 Subject Service revenues from the other company or companies or operating business or businesses involved in the merger or acquisition in the Current Annual Revenue Commitment as discussed in Section 25.10.5

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 CARC adjustment calculation, as detailed in the Current Annual Revenue Commitment as discussed in Section 25.10.5 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 Subject 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 Subject 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).

# 25. Pricing Flexibility Contract Offerings (Cont'd)

25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

#### 25.10.8 Mergers and Acquisitions (Cont'd)

# 25.10.8.1 Merger and Acquisition Provisions

# (A) Mergers and Acquisitions - Options

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 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 the Customer Obligations as defined in Current Annual Revenue Commitment in Section 25.10.5 (in the case of any shortfall in meeting the CARC, be in compliance with any requirements to pay any shortfall between the Annual CARC and actual Annual Billing), 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.

#### (1) Option 1

- (a) The Customer must establish a temporary CARC by adding 90% to 100% (depending on the Customer's selection) of Subject Services revenue from the other company or operating business involved in the merger or acquisition used to calculate the CARC 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10- MVP DS1, DS3 and OCN Service Offer (Cont'd)

#### 25.10.8 Mergers and Acquisitions (Cont'd)

#### 25.10.8.1 Merger and Acquisition Provisions (Cont'd)

- (A) Merger and Acquisition Options (Cont'd)
  - (1) Option 1 (Cont'd)
    - (d) The temporary CARC will be established by taking the last 3 months of applicable monthly recurring Subject 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 CARC.
    - (e) A combined permanent CARC 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 Subject 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 CARC.
      - (ii) The permanent CARC must be at least 90% of the temporary CARC as defined Section 25.10.8.1 (C) (4).

# (2) <u>Option 2</u>

(a) The Customer must add at least 90% but no more than 100% (depending on the Customer's selection) of Subject 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 CARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

#### 25.10.8 Mergers and Acquisitions (Cont'd)

# 25.10.8.1 Merger and Acquisition Provisions (Cont'd)

- (A) Merger and Acquisition Options (Cont'd)
  - (2) Option 2 (Cont'd)
    - (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 CARC will be set by taking the last three (3) months of applicable monthly recurring Subject 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 CARC.

# 25.10.9 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in Southern New England Telephone Tariff F.C.C. No. 39, Section 7.16 for DS1 and DS3 Services and Section 23 for OCN Services. If the Customer terminates service under 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 25.10.3 or fails to maintain any of the Terms and Conditions in section 25.10.4, the Customer will be deemed to have terminated its participation in Contract Offer No. 10 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 2, Section 2.4.

(This page filed under Transmittal No. 858)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.10 Contract Offer No. 10 - MVP DS1, DS3 and OCN Service Offer (Cont'd)

# 25.10.9 Termination Liability Charges (Cont'd)

Customers termination liability shall be equal to:

- (A) 100% of all Discounts received under this Contract Offer No. 10 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. 10 and it begins April 1, 2005. The Customer terminates its participation in Contract Offer No. 10 effective August 15, 2006. The termination liability charge that would apply is calculated as follows:

Annual CARC = \$3,785,000Monthly CARC = \$3,785,000 / 12 months = \$315,416Number of months remaining in contract = 15.5Remaining value of CARC = 15.5 x \$315,416M = \$4.89M 25 % of remaining value of CARC = .25 x \$4.89M = \$31.22M February 2006 - July 2006 discounts = \$500K

Total Termination Liability Charge = \$1.22M + \$500K = \$1.720M

# 25. Pricing Flexibility Contract Offerings

# 25.11 Contract Offer No. 11 - DS1, DS3 Service Offer

# 25.11.1 General Description

DS1, DS3 Service Offer (Contract Offer No. 11) is an access discount pricing plan for which concurrent subscription is required in two of the SBC Companies: Ameritech Operating Companies (Ameritech), and Southern New England Telephone Company (SNET). Contract Offer No. 11 is available to any Customer with at least \$500,000 in cumulative annual revenue for qualified access services as described in Section 25.11.2(C) herein. Customer must meet the eligibility criteria set forth in Section 25.11.2 and also must comply with the terms and conditions as described in Section 25.11.3.

Contract Offer No. 11 requires that the Customer maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period. In the event the Customer does not meet its MARC on the anniversary date of each term year, Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 25.11.6. Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with Section 25.11.6, termination liability charges, in accordance with Section 25.11.9 shall apply.

Contract Offer No. 11 will only be available February 26, 2005 through April 26, 2005. This offer is not renewable.

#### 25.11.2 Eligibility Criteria

- (A) The following eligibility criteria must be met in order to receive discounts under Contract Offer No. 11:
  - (1) Contract Offer No. 11 is only available for rate elements located in the following Metropolitan Statistical Areas (MSAs): Hartford and Bridgeport CT.
  - (2) Customer cannot subscribe concurrently to Contract Offer No. 11 and to SBC's MVP offering.
  - (3) The Customer and its affiliates must maintain an Access Service Ratio, equal to or greater than 95% The Access Service Ratio is defined in Section 25.11.3 (B) (8) and is measured on the anniversary of the effective date of Contract Offer No. 11.

(x) Issued under authority of Special Permission No. 05-012 of F.C.C.

(This page filed under Transmittal No. 859)

Issued: February 25, 2005 Effective: February 26, 2005

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- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.11 Contract Offer No. 11 DS1, DS3 Service Offer (Cont'd)
  - 25.11.2 Eligibility Criteria (Cont'd)
    - (4) Customer must have a minimum of \$500,000 in cumulative annual recurring revenue for DS1 and DS3 Services in the following SBC Companies: Ameritech Operating Companies and Southern New England Telephone Company.
    - (5) Service must be a pricing flexibility qualified access service, as described in Section 22.11.2(C).
      - (B) Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 11 pursuant to the following tariffs:
    - (1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 48.

(x) Issued under authority of Special Permission No. 05-012 of F.C.C.

(This page filed under Transmittal No. 859)

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.11 Contract Offer No. 11 - DS1, DS3 Service Offer (Cont'd)

#### 25.11.2 Eligibility Criteria (Cont'd)

- (C) Contract Offer No. 11 applies only to pricingflexibility-qualified access services (hereafter referred to as (Qualified Access Services) contained in the following tariff sections:
  - (1)DS1/DS3 Service SNET Tariff F.C.C. No. 39., Section 7.16.4 for Phase 1 MSAs and Section 24.5.2.6 for Phase 2 MSAs;
  - (2) (1) SNET Tariff F.C.C. No. 39, Section (1) for Phase 1 MSAs, and Section (1) for Phase 2 MSAs;
  - (3) (1) SNET Tariff F.C.C. No.39, Section (1) for Phase 1 MSAs, and Section (1) for Phase 2 MSAs.

All terms and conditions for the Qualified Access Services listed above are governed by their respective tariff sections except as noted herein.

#### 25.48.3 Terms and Conditions

#### (A) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Telephone Company receives the completed Letter of Intent. Contract Offer No. 11 is not renewable.

Purchases of the Qualified Access Services are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and Section 8-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Any such modifications will not change the terms and conditions of Contract Offer No. 11.

(1) Material previously contained in this section has been deleted. OCN PTP and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 11 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="https://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

## 25.11.3 Terms and Conditions (Cont'd)

#### (A) Terms and Conditions

- (1) Contract Offer No. 11 is only available February 26, 2005 through April 26, 2005.
- (2) Customer must submit a Letter of Intent to the Telephone Company.
- (3) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5 - Ordering Options for Switched Access and Special Access Services.
- (4) Qualified Access Services (defined in Section 25.11.2.C) to which the Customer already subscribes as of the commencement of the Term Period shall receive discounts effective upon the commencement of the Term Period of this Contract Offer
- (5) Qualified Access Services (defined in Section 25.11.2 (C) purchased after the commencement of the Term Period shall receive the rate described in Section 25.11.5 Table C only after the Telephone Company completes the access service order.
- (6) If the Customer terminates any Qualified Access Services, during the Term Period, termination liability charges shall apply in accordance with Section 25.11.9 shall apply.
  - (7) Customer must maintain a Minimum Annual Revenue Commitment (MARC), as described in Section 25.11.4) in each year of Contract Offer No. 11's Term Period. Customer must pay an Annual True-Up Amount if they fail to meet their MARC commitment as described in Section 25.11.4 (A), herein.

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

## 25.11.3 Terms and Conditions (Cont'd)

(8) As required in Section 25.11.2 (A) (3), the Customer and its affiliates must maintain an Access Service Ratio of 95% or greater. The ratio shall be calculated annually as follows: Customer's Annual Access Revenue minus Customer's Annual Wholesale Revenue (defined as the sum of the revenues derived from Customer's purchase of the rate elements listed below in Table B), divided by the Customer's total qualifying Annual Access Revenue. To maintain compliance with Contract Offer No. 11, the ratio each year of the Term Period must be greater than or equal to 95%. The 95% ratio is calculated as follows:

(Annual Access Revenue - Annual Wholesale Revenue) / Annual Access Revenue

(a) The associated rate elements, as defined below, apply when the Customer (and its affiliates') Annual Access Revenue equals the Customer (and its affiliates') current interstate annual recurring billed revenue:

## TABLE A:

Service	General/Basic	
	Description	
Entrance Facilities	6.1.3 (A)(1)(a)	
Direct Transport Services	6.1.3 (A)(1)(b)	
Direct Analog	7.2.3	
Base Rate, DS1 and DS3	7.2.9	
Services		
(1)	(1)	
(1)	(1)	

(D)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-104.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

# 25.11.3 Terms <u>and Conditions</u> (Cont'd)

- (8) (Cont'd)
  - (b) The associated rate elements apply, as described in table B below, when the Customer's (and its affiliates') Annual Wholesale Revenue equals the Customer's (and its affiliates') annual recurring billed revenue not included in the interstate and intrastate tariff(s).

TABLE B:

Service	Associated Rate Elements Not Included in		
Level	Interstate/Intrastate 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		
Other	Dark Fiber - Interoffice		
Transport	Dark Fiber - Loop		
Products	Dark Fiber - Subloop		
	Dark Fiber Cross Connects		

(c) As new associated rate element are introduced and are added to Table B above, all annual recurring revenues associated with Customer's purchase of the new associated rate elements on and after that date shall automatically be added to the Customer's Annual Wholesale Revenue as defined in Section 25.11.3 (8) preceding, for calculation of the Access Service Ratio.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.3 Terms and Conditions (Cont'd)

- (8) (Cont'd)
  - (d) If the Customer fails to meet the Access Service Ratio in any given year of the Term Period of this Contract Offer, after notification by the Telephone Company of such failure, Customer must notify the Telephone Company in writing within five (5) business days that it will meet or exceed a 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. 11 and termination liability charges will apply as set forth in Section 25.11.9.
    - (9) The Customer shall not be permitted to combine discounts under this Contract Offer, or to apply revenues subject to this Contract Offer, with any other discounts available pursuant to Section 25 for Subject Services under this Contract Offer.
    - (10) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 11 pursuant to F.C.C. No. 39, Section 2.1.2 the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, 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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.3 Terms and Conditions (Cont'd)

#### (10) (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.

# 25.11.4 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) for the duration of the Term Period. The MARC will be calculated as outlined below in Section 25.11.4 (A).

#### (A) Determining the Minimum Annual Revenue Commitment

The Customer's MARC for Year 1 is at least \$500,000 in cumulative annual revenue for Qualified Access Services.

The MARC for Years 2, 3, 4 and 5 will be reviewed annually on the anniversary date of the Term Period of this Contract Offer. The MARC for Years 2, 3, 4 and 5 will be calculated as follows:

Sum of the recurring revenue for all Qualified Access Services of the pervious three (3) months of the contract year, 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.

(This page filed under Transmittal No. 859)

Issued: February 25, 2005 Effective: February 26, 2005

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

Example of Year 2 MARC Establishment: Customer's Year 1 MARC is established at \$500,000. End of Year 1 the total recurring revenue of the previous 3 months totaled \$150,000. Multiply that number by 4 and by 95% the Customer's Year 2 MARC is set at \$570,000.

 $$150,000 \times 4 \times .95 = $570,000$ 

#### (B) Failure to Achieve the MARC

If the Customer fails to achieve the Annual MARC for any year of the Term Period, it must comply with one of the options below:

- (1) The Customer pays the difference between the Annual MARC for the current term year and the actual annual recurring revenue for the Subject Services as set forth in the true-up process as described in Section 25.11.6 within 60 days; or
- (2) The Customer terminates its Contract Offer No. 11 and pays termination liability charges as set forth in Section 25.11.9, following.

M)

(N)

#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.5 Rates

Table C below contains the discounted rates for Contract Offer No. 11. Each new circuit (Channel Termination / LDC and Mileage) must be located entirely in the MSAs listed in Section 25.11.2 (A) (1) to be eligible for these rates.

#### TABLE C:

Circuit Mileage	DS1 Monthly Rate Per Circuit:
0	\$113.00
1-10	\$185.00
11-20	\$225.00
Rate Element	DS3 Monthly Rate Per Element
LDC	\$807.50
CMT	\$232.75
CM	\$33.15
CO Mux	\$427.50

The Telephone Company shall waive the following Non-Recurring charges (NRCs) associated with the purchase of qualifying DS1, DS3,  $^{(1)}$  and  $^{(1)}$  Services for Customers subscribed to Contract Offer No. 11:

(D)

- (1)Design and Central Office Connection Charge per Circuit; Section 7; and
- (2) Customer Connection Charge per termination; Section 7.

(This page filed under Transmittal No. 965)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-104.

(N)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.6 Portability

DS1 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the term of Contract Offer No. 11, provided that the eligibility criteria in Section 25.11.2, and terms and conditions in Section 25.11.3 have been met.

DS3 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS3s throughout the term of Contract Offer No. 11 as long as the DS3 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 25.11.2 and terms and conditions in Section 25.11.3 have been met.

#### 25.11.7 Annual True-Up

The Telephone Company shall conduct an Annual True-Up on the anniversary date of each term year of this Contract Offer based on the Customer's MARC commitment. If the Customer fails to achieve the annual MARC commitment as of the anniversary date, the Customer will be notified by the Telephone Company SBC 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 Qualified Access Services = Annual True-Up Amount

If the Customer fails to submit its Annual True-Up payment to the Telephone Company amount within 60 days upon notification from the Telephone Company, the Customer is deemed to have terminated its Contract Offer No. 11 and termination charges will apply as set forth in Section 25.11.9

(1)

(N)

# 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.8 Technology Upgrade

As long as the Customer meets the eligibility criteria in Section 25.11.2 and the Terms and Conditions in Section 25.11.3, the Customer may purchase Services which offer features based on upgraded technology from the Telephone Company to replace one or more services listed in Section 25.11.3(B) (8) Table A. Once eligibility is determined, the Telephone Company shall waive termination penalties provided that the desired upgraded technology:

- (a) Is comparable to existing Subject Services;
- (b) provides substantially the same functionality as the existing Qualified Access Services;
- (c) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer.

(N)

#### 25.11 Contract Offer No. 11- DS1, DS3 Service Offer (Cont'd)

#### 25.11.9 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Tariff No. 11, Section 7.4.10 (C). If the Customer terminates service under this Contract Offer 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 60 days prior to the desired date of termination of the Qualified Access Services pursuant to this Contract Offer.

If the Customer fails to meet any of the eligibility criteria as described in Section 25.11.2, or fails to meet any of the Terms and Conditions in Section 25.11.3, the Customer will be deemed to have terminated services under this Contract Offer and are payable pursuant to F.C.C. No.39, Section 7.

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:

50% of the difference between the Actual Current Annual Recurring Revenue for Qualified Access 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.

50% (Annual MARC - Annual Current Recurring Revenue) + 50% (Annual MARC x years remaining) = termination liability

For example, the Customer terminates the contract in Year 2 and Customer has 3 years remaining in a 5 year term period. Customer's current MARC at time of termination is \$500,000 and actual recurring revenue is \$400,000. The Termination liability charge will be as follows:

50% (\$500,000 - 400,000) + 50% ( $$500,000 \times 3$ ) = \$800,000 termination liability charge

`\_\_\_\_\_

(N)

TARIFF F.C.C. NO. 39
2nd Revised Page 25-115
Cancels 1st Revised Page 25-115

ACCESS SERVICE

25. <sup>(1)</sup> (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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 12 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

TARIFF F.C.C. NO. 39
2nd Revised Page 25-116
Cancels 1st Revised Page 25-116

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-115.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-117 Cancels 1st Revised Page 25-117

# ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-115.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-118 Cancels 1st Revised Page 25-118

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-115.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-119 Cancels 1st Revised Page 25-119

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-115.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-120
Cancels 1st Revised Page 25-120

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-115.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-121 Cancels 1st Revised Page 25-121

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-115.

(D)

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(D)

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings

### 25.13 Contract Offer No. 13 - Special Access (1) /DS1 Package Offer

# 25.13.1 General Description

Special Access <sup>(1)</sup>/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 25.13.6 for the purchase of DS1 special access transport bandwidth subtending a two (2) <sup>(1)</sup> (1). Upon subscription, Customer must purchase one of the Special Access <sup>(1)</sup> / DS1 Package options, as described in Section 25.13.3(B)(3), herein. Contract Offer is available for subscription May 28, 2005 through August 31, 2005. This Contract Offer is not renewable.

#### 25.13.2 Eligibility Criteria

- (A) The following eligibility criteria must be met in order to purchase Contract Offer No. 13:
  - (1) Service must be located in the following Pricing Flexibility MSAs: Bridgeport, Hartford and New Haven, CT.
  - (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. 13 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:
  - (1) (1) Southern New England Telephone Tariff F.C.C.

    No. 39, Section (1) for Phase 1 MSAs and Section (1) for Phase 2 MSAs;
  - (2) DS1 High Capacity Service Southern New England Telephone Tariff F.C.C. No. 39, Section 7 for Phase 1 MSAs and Section 24 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.

(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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 13 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="https://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

(D)

(D)

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(D)

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings

# 25.13 Contract Offer No. 13 - Special Access (1)/DS1 Package Offer

# 25.13.3 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 <sup>(1)</sup>/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, Section (1), or Section 24. If at the expiration of the Term Period Customer does not select a payment option, the DS1 services will be converted to the month-to-month rates found in Section 7.16.4 or Section 24.5.2.6 and the (1) Service will be converted to the monthly extension rates found in Section (1) or Section 24.5.2.7.

Rate stability under this contract term applies only to the rates specific to Contract Offer No. 13 as listed in Section 25.13.6. Purchase of Subject Services listed above under Contract Offer No. 13 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 8-Testing, Maintenance, and Additional Labor 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 13.

# (B) Terms and Conditions

- (1) This Contract Offer No. 13 is only available May 28, 2005 through August 31, 2005;
- (2) Customer must submit a Letter of Subscription (LOS) to the Telephone Company;

 $^{(1)}$  See footnote (1) on page 25-122.

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.13 Contract Offer No. 13 - Special Access (1)/DS1 Package Offer (Cont'd)

#### 25.13.3 Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (3) Upon subscription, the customer must chose one of the following Special Access  $^{(1)}/DS1$  Package options: (D) (a) 2  $^{(1)}$  (1) with Seven (7) DS1s; or (D)
    - (b) 2 (1) (1) with Fourteen (14) DS1s; or (D)
    - (c) 2 (1) (1) with Twenty-eight (28) DS1s (D)
  - (4) The total capacity of the two (2) (1) (1) must be (D) 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.
  - (5) If the Customer should discontinue service under Contract Offer No. 13 prior to the end of the Term Period, termination liability charges will apply in accordance with Section 25.13.7;
  - (6) Customer must subscribe to Subject Service available under this Contract Offer No. 13 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. 13, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 8. 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;

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<sup>(1)</sup> See footnote (1) on page 25-122.

(D)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.13 Contract Offer No. 13 Special Access (1)/DS1 Package Offer (Cont'd)
    - 25.13.3 Terms and Conditions (Cont'd)
      - (B) Terms and Conditions (Cont'd)
        - (9) Subject Services provided pursuant to this Contract Offer No. 13 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 the Contract.
      - (C) Conversion of Existing Service

Existing DS1 Service as of the effective date of this Contract Offer may be eligible for conversion to this Contract Offer No. 13. The existing DS1 Service must not be currently provisioned over a (1) Service. Nonrecurring Rearrangement fees and any applicable Termination Liability associated with converting the existing DS1 Service to this Contract Offer No. 13 will be waived. The Eligibility Criteria described in Section 25.13.2 will continue to apply for existing DS1 Services converted to this Contract Offer No. 13.

Existing DS1 Service as of the effective date of this Contract Offer that is currently provisioned over a <sup>(1)</sup> Service is not eligible for conversion to (D) this Contract Offer No. 13. Existing <sup>(1)</sup> Service as (D) of the effective date of this Contract offer is not eligible for conversion to Contract Offer No. 13.

(This page filed under Transmittal No. 965)

<sup>(1)</sup> See footnote (1) on page 25-122.

# 25.13 Contract Offer No. 13 - Special Access (1)/DS1 Package Offer (Cont'd)

# (D)

### 25.13.4 Assignment and Transfer

- (A) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 13 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 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.
  - (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.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-122.

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.13 Contract Offer No. 13 - Special Access (1)/DS1 Package Offer (Cont'd)

# (D)

# 25.13.5 Upgrade Option

During the Term Period, Customer may upgrade the DS1s of the Special Access  $^{(1)}/DS1$  Package subscribed to under this Contract Offer 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.

(D)

(D)

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 25.13.6

All nonrecurring ordering and installation charges, as described in 25.13.6 following, are applicable. The Term Period will remain unchanged.

#### 25.13.6 Rates and Charges

- (A) Customer must pay the following Monthly Recurring Charge (MRC) in Table B.
- (B) The MRC in Table B includes the 2  $^{(1)}$   $^{(1)}$  and Special Access DS1 rate elements and quantities in Table C and Table D.

Monthly Recurring Charge (MRC):

Table B:

(1)/DS1 Package	Rate (Includes DS1s with 0 Miles up to and including 10 Miles)	(D)
2 (1) (1) and 7 DS1s	\$2850.00	(D)
2 <sup>(1) (1)</sup> and 14 DS1s	\$3500.00	(D)
2 (1) (1) and 28 DS1s	\$4500.00	(D)
Each Additional 7 DS1s above 28	\$1000.00 per 7 DS1s	

#### Table C:

(1)	USOC	Quantity
(1)	(1)	(1)
(1)	(1)	(1)
(1) DS1 (1) (7 DS1s)	(1)	(1)
<sup>(1)</sup> DS1 <sup>(1)</sup> (14 DS1s)	(1)	(1)
<sup>(1)</sup> DS1 <sup>(1)</sup> (28 DS1s)	(1)	(1)
(1) DS1 (1) (Each Additional 7 DS1s)	(1)	(1) per 7 DS1s
(1)	(1)	(1)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-122.

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(D)

(D)

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.13Contract Offer No. 13 - Special Access (1)/DS1 Package Offer (Cont'd) (D

#### 25.13.6 Rates and Charges (Cont'd)

Table D:

DS1 Special Access	USOC	Quantity
DS1 Channel Mileage Fixed	1YBAX	1 per DS1 circuit with Interoffice Channel Mileage
DS1 Channel Mileage Per Mile	1YBAX	DS1 circuits with Interoffice Channel Mileage may have a maximum of 10 Interoffice Channel Miles

(C) Customer must pay the Non-Recurring charges as listed in Section 7, Section  $^{(1)}$ , or Section 24.

#### 25.13.7 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 7 and Section <sup>(1)</sup>. If the Customer terminates Contract Offer No. 13, Special Access <sup>(1)</sup>/DS1 Package before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described below. 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 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.

 $^{(1)}$  See footnote (1) on page 25-122.

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# 25. Pricing Flexibility Contract Offerings

25.14 Contract Offer No. 14 -DS3/DS1 High Capacity Special Access Service Offer

# (N)

# 25.14.1 General Description

DS3/DS1 High Capacity Special Access Service Offer (Contract Offer No. 14) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.14.4 for the purchase of two (2) new DS3 and eight (8) new DS1 High Capacity Special Access Services.

#### 25.14.2 Eligibility Criteria

- (A) The following eligibility criteria must be met in order to receive the DS3/DS1 High Capacity Special Access Service Contract Offer No. 14:
  - (1) Service must be located in Pricing Flexibility MSA: Hartford and Bridgeport, Connecticut;
  - (2) Customer must purchase two(2) new DS3 and eight (8) new DS1 High Capacity Special Access Service within one month of subscribing to Contract Offer No. 14; and
  - (3) All traffic must originate or terminate at a Mobile Switching Center (MSC).
- (B) Contract Offer No. 14 applies to pricing flexibility qualified access service, DS3 and DS1 High Capacity Special Access, contained in Southern New England Telephone Company Tariff F.C.C. No. 39, Section 24;
- (C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

# 25.14 Contract Offer No. 14 - DS3/DS1 High Capacity Special Access Service Offer (Cont'd)

# (N)

#### 25.14.3 Terms and Conditions

#### (A) Term Period

The contract term (Term Period) is five (5) years commencing on the date billing begins. Billing commences for the two (2) new DS3 and eight (8) new DS1 HiCap Special Access Services no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

At the expiration of the Term Period, Customer must choose from the payment options as described in Section 7 for DS3 and DS1 High Capacity Special Access Service.

If, at the expiration of the Term Period, the Customer does not choose to disconnect or select a payment option as described in Section 7, the DS3 and DS1 HiCap Services will be converted to the monthly extension rates pursuant to Section 7 or Section 24, as applicable.

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 14 as listed in Section 25.14.4. Purchase of the services listed above under Contract Offer No. 14 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 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 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 14.

(N)

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.14 Contract Offer No. 14 - DS3/DS1 High Capacity Special Access Service Offer (Cont'd)

#### 25.14.3 Terms and Conditions (Cont'd)

#### (B) Terms and Conditions

- (1) This Contract Offer No. 14 is only available May 28, 2005, through June 28, 2005;
- (2) DS3 and DS1 High Capacity Special Access Service discounted rates, as described in Section 25.14.4 must be for new installations only;
- (3) Customer must submit a Letter of Subscription (LOS);
- (4) If the Customer should discontinue service under Contract Offer No. 14 during the Term Period, termination liability charges will apply in accordance with Section 25.14.5;
- (5) Customer must subscribe to the services available under this Contract Offer No. 14 in accordance with the regulations set forth in Section 5 - Ordering Options for Switched and Special Access Service;
- (6) 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;
- (7) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 14, 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;
- (8) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 14 that might be offered by the Telephone Company for services covered under this Contract Offer 14.

25.14 Contract Offer No. 14 - DS3/DS1 High Capacity Special Access Service Offer (Cont'd)

#### 25.14.3 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. 14 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 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.

(This page filed under Transmittal No. 872)

(N)

# 

# 25.14.4 Rates and Charges

(A) DS3/DS1 High Capacity Special Access Service Rates and Charges:

Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2)new DS3 and eight (8) new DS1 High Capacity Special Access Services:

Nonrecurring Charges (NRC):

Customer must pay the Nonrecurring Charges as listed in Section 7 or Section 24, if applicable; and

Monthly Recurring Charge (MRC):

(1) DS3 High Capacity Special Access Service MRC:

Description	USOC	MRC Per Unit
Channel	TZ4BX	\$810.00
Termination	12468	\$810.00
Channel	1YBBX	\$364.00
Mileage Fixed	IIBBA	\$364.00
Channel		
Mileage per	1YBBX	\$25.00
Mile		

(2) DS1 High Capacity Special Access Service (MRC):

Description	USOC	MRC Per DS1
Channel Termination	TZ4AX	
Channel Mileage Fixed	1YBAX	\$250.00
Channel Mileage per Mile	1YBAX	

(N)

(N)

# 25.14 Contract Offer No. 14 - DS3/DS1 High Capacity Special Access Service Offer (Cont'd)

#### 25.14.5 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 7. If the Customer terminates Contract Offer No. 14 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. 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 \$6,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as:

 $$6,000 \times 24 \times 50\% = $72,000$ termination liability charge.

(N)

(N)

#### 25. Pricing Flexibility Contract Offerings

#### 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer

#### 25.15.1 General Description

(Nx)

(N)

Contract Offer No. 15 - the Broadband 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 Broadband Plan provides discounted rates (Level II as described below) subject to volume commitments as described in Section 25.15.4 (G).

Services covered under this Contract Offer will be grouped into Levels:

(Nx)

(N)

- (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 25.15.4 (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 25.15.5, 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 25.15.3 (A). Contract Offer No. 15 is available for subscription from June 1, 2005 through August 1, 2005. This Contract Offer is not renewable.

(x) Issued under Authority of Special Permission No. 05-024 of F.C.C.

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.2 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), SNET Tariff F.C.C. No. 39, Section 7.16.4 for Phase 1 MSAs and Section 24.5.2.6 for Phase 2 MSAs;
- (2) (1), SNET Tariff F.C.C. No. 39, Section 23.3 for Phase 1 MSAs and Section 24.5.2.9 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.

# 25.15.3 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:

Hartford, CT; Bridgeport, CT

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 25.15.4 (E) of this Contract Offer.

(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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 15 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.15 Contract Offer No. 15 Broadband Plan Service Offer (Cont'd)
    - 25.15.3 Eligibility Criteria (Cont'd)
      - (A) Subject Services must be configured as follows:
        - (1) Subject Services must be a non-channelized point-topoint 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 25.15.3 (A) of this Contract Offer; and
        - (3) Subject Services must be at capacity levels of DS3,  $^{\scriptscriptstyle{(1)}}$  or  $^{\scriptscriptstyle{(1)}};$  and
        - (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 25.15.3 (B) of this Contract Offer.

 $^{(1)}$ See footnote (1) on page 25-136.

(This page filed under Transmittal No. 965)

#### 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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 SNET Tariff F.C.C. No. 39.

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 SNET Tariff F.C.C. No. 39.

# (B) Subscription

- (1) Contract Offer No. 15 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 25.15.3.
- (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) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 54;
  - (c) NBTC Tariff F.C.C. No. 1, Section 23, Contract
     Offer No. 3;
  - (d) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 61.

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(This page filed under Transmittal No. 873 )

(N)

(Nx)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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 SNET Tariff F.C.C. No. 39, Section 5-Ordering Regulations.
- (2) Subject Services provided under this Contract Offer shall also be subject to certain rates, charges and general terms and conditions set forth in SNET Tariff F.C.C. No. 39, Sections: 2-General Regulations, 5-Ordering Regulations, and 8-Testing, Maintenance and Additional Labor 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 25.15.10 of this Contract Offer.

(N)

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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 25.15.10 of this Contract Offer.

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#### 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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 Broadband Plan in TSA<sub>3</sub>.
- (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 25.15.5.
- (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 25.15.3 (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:

Access	Billing	-		Wholesale	Billing
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 SNET Tariff F.C.C. No. 39, Sections 7.16.4 and 24.5.2.6; 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).

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(N)

(N)

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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 25.15.4 (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.

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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		PVC
	Type		Units
1	DS3	=	1
1	(1)	=	2.5
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 commitment the Term Period.
- (b) The PVC Level will be reset after each PVC Attainment Review, as described below in Section 25.15.4 (G) (2) (c).
- (c) The PVC Level can not be reduced, except as provided by the PVC Reduction Option described in Section 25.15.4 (G) (5) of this Contract Offer.

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-136.

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

### 25.15.4 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 thencurrent 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 25.15.4 (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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

# 25.15.4 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

# 25.15.4 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  $[(1,800 \times 95\%) - 1,700] = 10$  Step 2 - PVC Unit Shortfall x \$9,600 = PVC Attainment Shortfall Payment  $10 \times \$9,600 = \$96,000$ 

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

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## 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.4 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 25.15.4 (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 25.15.4 (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 \times PVC$  Term Factor = PVC Reduction Charge  $10 \times $1,600 \times 18 = $288,000$ 

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(N)

## 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.5 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 25.15.7 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.

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(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

# 25.15.5 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 25.15.5 (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. TSA3 pricing shall apply to all circuits subject to Type I Migration, effective on the first day of the subsequent PVC Attainment Review Period.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

# 25.15.5 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 25.15.5 (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

	Migra Perio		Charge	(per F	VC Att	ainmer	it Revi	iew
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	\$8	15						
726 +	\$	0						
Less than 400				Not El	igible	for T	ype II	-
Greater than 400			\$2,	445	\$1,	630	\$8	15

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.6 Termination Liability Credits for Renewed Level I Circuits

If the customer renews a Level I circuit as provided in Section 25.15.5 (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 25.15.5 (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.

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25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

# 25.15.7 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 <sub>3</sub>
Hartford, CT
Bridgeport, CT

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 $(N_1)$ 

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## ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

# 25.15.7 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 SNET Tariff F.C.C. No. 39.

Rate Element	Applicable USOC	$\mathtt{TSA}_1$	TSA <sub>2</sub>	TSA <sub>3</sub>	
High Capacity Service DS3					
Channel Termination - Zone 1	TZ4BX	n/a	n/a	\$925.00	
Channel Termination - Zone 2	TZ4BX	n/a	n/a	\$975.00	
Channel Termination - Zone 3	TZ4BX	n/a	n/a	\$1,000.00	
Mileage Fixed - Zone 1	1YBBX	n/a	n/a	\$450.00	
Mileage Fixed - Zone 2	1YBBX	n/a	n/a	\$475.00	
Mileage Fixed - Zone 3	1YBBX	n/a	n/a	\$500.00	
Mileage Variable - Zone 1	1YBBX	n/a	n/a	\$35.00	
Mileage Variable - Zone 2	1YBBX	n/a	n/a	\$40.00	
Mileage Variable - Zone 3	1YBBX	n/a	n/a	\$45.00	
(1)					(D)
(1)	(1)	n/a	n/a	(1)	(D)
(1)	(1)	n/a	n/a	(1)	(D)
(1)	(1)	n/a	n/a	(1)	(D)
(1)					1
(1)	(1)	n/a	n/a	(1)	(D)
(1)	(1)	n/a	n/a	(1)	(D)
(1)	(1)	n/a	n/a	(1)	(D)

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<sup>(1)</sup> See footnote (1) on page 25-136.

25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

25.15.7 Rates and Charges (Cont'd)

(A) Nonrecurring Charges (NRC)

The Customer must pay the applicable NRC as described in SNET Tariff F.C.C. No. 39.

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25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria of Section 2.5.5 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.

# 25.15.9 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.15 Contract Offer No. 15 - Broadband Plan - Service Offer (Cont'd)

#### 25.15.10 Termination Liability

If Customer terminates this Contract Offer the termination liability language contained below applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39. 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 25.15.4. 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 25.15.4 (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 SNET Tariff F.C.C. No. 39.

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:

 $(\$20,000 \times 6 \text{ months } \times 75\%) + (\$750 - \$550) = \$90,250$ 

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#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings

#### 25.16 Contract Offer No. 16 - Special Access Service Offer

#### 25.16.1 General Description

Special Access Service Offer (Contract Offer No. 16) 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. 16 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 25.16.2 and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 16 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 25.16.4 (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 25.16.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): (1), ATM, Frame Relay and the following InterLATA services: DSO, 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 ATM, Frame Relay 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://www.sbcprimeaccess.com/shell.cfm?section=2501

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 25.16.4(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 nontariffed agreements referenced herein), termination liability charges, in accordance with Section 25.16.9, shall apply.

Contract Offer No. 16 will only be available June 2, 2005 through July 2, 2005.

(1) Material previously contained in this section has been deleted. OCN PTP, DSRS, OPT-E-MAN, MON and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 16 shall remain in effect according to its <a href="existing terms">existing terms</a> 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

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## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.2 Eligibility Criteria

- (A) The Customer must meet the following Eligibility Criteria in order to subscribe to Contract Offer No. 16, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:
  - (1) Contract Offer No. 16 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs):
- Bridgeport, Hartford, New Haven, CT

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 25.16.4.

- (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.
- (3) Customer cannot subscribe to Contract Offer No. 16
- concurrently with SBC's MVP Offering in Section 19;
- (4) The Customer must maintain an Access Service Ratio equal to or greater than 98%. The Access Service Ratio is defined in Section 25.16.3(E) and will be measured quarterly.
- (x) Issued under Authority of Special Permission No. 05-026 of F.C.C.

(N)

(N)

(Nx)

(Nx)

(N)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.2 Eligibility Criteria (Cont'd)

## (B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 16 pursuant to the following tariffs:

- (1) Southwestern Bell Telephone Company Tariff F.C.C No. 73, Section 41, Contract Offer No. 48.
- (2) Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 33, Contract Offer No. 56.
- (3) The Ameritech Telephone Company Tariff F.C.C. No. 2, Section 22, Contract Offer No. 64.

# (C) Contributory Subject Services

Contract Offer No. 16 applies to pricing-flexibilityqualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

- (1) VG/DSO Services Southern New England Telephone Company Tariff F.C.C. No. 39, Sections 10.2.5 for Phase I MSAs, and Sections 24.5.2.1 for Phase II MSAs:
- (2) DS1/DS3 Service Southern New England Telephone Company Tariff F.C.C. No. 39, Section 7.16.4 for Phase I MSAs and Section 24.5.2.6 for Phase II MSAs:
- (3)  $^{(1)}/^{(1)};$   $^{(1)}/^{(1)}/^{(1)}/^{(1)}/^{(1)}$  Service Southern New England Telephone Company Tariff F.C.C. No. 39, Section  $^{(1)}$  for Phase I MSAs and Section  $^{(1)}$ for Phase II MSAs;
- (4) (1) / (1) / (1) / (1) Service Southern New England (D) Telephone Company Tariff F.C.C. No. 39, Section (D) for Phase I MSAs, and Section (1) for Phase II (D) MSAs.

(D)

(D)

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Issued: January 24, 2008 Effective: February 8, 2008

<sup>(1)</sup> See footnote (1) on page 25-157.

(D)

(D)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.16 Contract Offer No. 16 Special Access Service Offer (Cont'd)
    - 25.16.2 Eligibility Criteria (Cont'd)
      - (C) Contributory Subject Services (Cont'd)
        - (5) (1) Service Southern New England Telephone Company Tariff F.C.C. No. 39, Section (1) for Phase I MSAs and Section (1) for Phase II MSAs.
        - I MSAs and Section (1) for Phase II MSAs. (D)

          (6) (1) Service Southern New England Telephone (D)

          Company Tariff F.C.C. No. 39, Section (1) for Phase (D)

          I MSAs and Section (1) for Phase II MSAs. (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 25.16.4. 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 eliqible 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 25.16.4.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-157.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.3 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. 16 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 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. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 13-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. 16 is only available for subscription June 2, 2005 through July 2, 2005.
- (C) Customer must submit a completed LOS to the Telephone Company.

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#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.16 Contract Offer No. 16 Special Access Service Offer (Cont'd)
    - 25.16.3 Terms and Conditions (Cont'd)
      - (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. 39 Section 5 Ordering Regulations.
      - (E) Access Service Ratio

As referenced in Section 25.16.2(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

(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:

	General/Basic
Service	Description
Voice Grade	7.9.1
Base Rate (DS0), DS1 and DS3	
Services	7.16.1
(1)	(1)
(1)	(1)
(1)	(1)
(1)	(1)
·	•

(D) (D) (D) (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).

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<sup>(1)</sup> See footnote (1) on page 25-157.

Issued: February 5, 2008

## ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

#### TABLE B:

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-3 Entrance Facilities OC-12 OC-3 Interoffice Transport OC-48  OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-12 Entrance Facilities OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Interoffice Transport OC-48 Cross Connects 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	Service	Associated Rate Elements Not Included			
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-3 Entrance Facilities OC-12 OC-3 Interoffice Transport OC-48  OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-12 Entrance Facilities OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Interoffice Transport OC-48 Cross Connects 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					
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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-3 Entrance Facilities OC-12 OC-3 Interoffice Transport OC-48  OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing 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	рет/піт				
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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-3 Entrance Facilities  OC-12 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-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  Transport					
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	Other				
	-	Dark Fiber - Loop			
	Products	Dark Fiber - Subloop			
Dark Fiber Cross Connects					
Unbundled Dedicated Transport		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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(This page filed under Transmittal No. 966 )

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.3 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 60 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 25.16.9.
  - (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 25 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 2.8 of FCC Tariff No. 39 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 of the

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## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.3 Terms and Conditions (Cont'd)

#### (G) (Cont'd)

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 25.16.9 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 2.8.

(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.

#### 25.16.4 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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.4 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 Dates, 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).

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#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.4 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 25.16.2, or if additional Contributory Subject Services that are not listed in Section 25.16.2 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 25.16.4. 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

## 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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Effective: September 2, 2009

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# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.4 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 any time 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 25.16.5 (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 25.16.5 (B). Also, if the Customer exercises this option, any MARC adjustments associated with SLA penalties offered in Section 25.16.5 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 25.16.7, 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 25.16.2 and Terms and Conditions in Section 25.16.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 25.16.5(B).
  - (3) The MARC will be adjusted automatically pursuant to SLA measurement guidelines specified in Section 25.16.5, unless the MARC adjustment option discussed in Section 25.16.4.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 year and

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## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

## (D) Failure to Achieve the MARC (Cont'd)

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 Dates 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 25.16.9.

## 25.16.5 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)

(N)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.5 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 25.16.2, Section 25.16.4 Section 25.16.7 or Section 25.16.8.

# (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 25.16.4 (C)

TABLE D

	MARC Discount	Above MARC Discount,	
		if available	
MARC	Year 3 - 4%	Year 3 - 4%	
Adjustment	Year 4 - 5%	Year 4 - 5%	
	Year 5 - 6%	Year 5 - 6%	

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.5 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 = ($30M \times 90\%)$ . 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 25.16.4 (A) and/or fails to pay the Annual True-Up as defined in Section 25.16.4 (D), termination liability charges will apply as set forth in Section 25.16.9.

(N)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.16 Contract Offer No. 16 Special Access Service Offer (Cont'd)
    - 25.16.5 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 Southern New England Telephone Company F.C.C. No. 39, Section 5 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) Customer must be in compliance with all terms and conditions of this Contract Offer.
- (2) Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 25.16.2.B.
  - (3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.
  - (4) DS3, <sup>(1)</sup> and <sup>(1)</sup> Services must have been in service (D) for a minimum of one (1) year from the original installation date.
  - (5) (1), (1) and (1) Services must have been in service (D) for a minimum of three (3) years from the original installation date.
  - (6) If, and to the extent that <sup>(1)</sup> becomes eligible for (D) pricing flexibility, <sup>(1)</sup> may, at the Customer's (D) option, become a

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<sup>(1)</sup> See footnote (1) on page 25-157.

(D)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.5 Discounts and Other Credits (Cont'd)

- (D) Portability (Cont'd)
  - (6) (Cont'd)

Contributory Subject Service included in this Contract Offer. If so, such <sup>(1)</sup> service shall be (D) eligible for portability provided that, for each <sup>(1)</sup> (D) circuit to be ported:

- (a) facilities necessary to provide <sup>(1)</sup>, as specified in F.C.C. No. 39, Section <sup>(1)</sup>, 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.

If the Customer fails to meet the MARC on a contract Anniversary Date pursuant to Section 25.16.4 (A) and/or fails to pay the Annual True-Up as defined in Section 25.16.4 (D), termination liability charges will apply as set forth in Section 25.16.9.

## (E) Service Level Assurance (SLA) Performance

The 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 OCN circuits are in service compared to the total expected availability during the reporting period factoring in both failure frequency and time to repair.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-157.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.5 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 OCN circuits: The average time it takes the Telephone Company to repair all of the Customer's DS3 and OCN circuits during the reporting period.
  - (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 OCN services.

Table E outlines the SLA performance targets for each measured service in each contract year.

Table E

Measured	Year 1	Year 2	Year 3	Year 4	Year 5
Service	Target	Target	Target	Target	Target
% Network Availability (DS1-OCN)	99.93%	99.96%	99.96%	99.99%	99.99%
MTTR (DS1 only)	4:45	4:30	4:30	4:15	4:15
MTTR (DS3 & OCN)	3:15	3:15	3:00	3:00	3:00
On Time Delivery - Due Date (DS1-OCN)	96.00%	96.50%	96.500 %	97.00%	97.00%

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# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.5 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 five regions identified in Section 25.16.2(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. 35 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

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.5 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.

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# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.5 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- OCN)	\$100,000
MTTR (DS1 only)	\$100,000
MTTR (DS3 & OCN)	\$100,000
On Time Delivery - Due Date (DS1-OCN)	\$100,000

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 25.16.2(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 25.16.4, 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.

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#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.5 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-OCN)	2	Decrease ½ %	
MTTR (DS1 only)	2	Decrease ½ %	
MTTR (DS3 & <sup>(1)</sup> )	2	Decrease ½ %	(D)
On Time Delivery - Due Date (DS1-(1))	2	Decrease ½ %	(D)
% Network Availability (DS1-(1))	3, 4 or 5	Decrease 1%	(D)
MTTR (DS1 only)	3, 4, or 5	Decrease 1%	
MTTR (DS3 & <sup>(1)</sup> )	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]. 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%).

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<sup>(1)</sup> See footnote (1) on page 25-157.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

## 25.16.6 Assignment and Transfer

Subject to the provisions set forth in section 25.16.7 regarding mergers and acquisitions, if the Customer wishes to assign or transfer its use of services under this Contract Offer No. 16, pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, 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.

## 25.16.7 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 16 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)

# 25. <a href="Pricing Flexibility">Pricing Flexibility</a> Contract Offerings (Cont'd)

25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

25.16.7 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 25.16.4 (A) or calculations to achieve the MARC discussed in Section 25.16.4 (B) or in the calculation of the Access Service Ratio discussed in Section 25.16.3(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 25.16.2 and 25.16.3 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 25.16.4 (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 25.16.3(E).

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.7 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 25.16.4, 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 25.16.5 (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 25.16.5(A)(2), for recurring annual revenue above the new combined MARC.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.7 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 25.16.3 (E), the Customer must select from Option 1 or 2 of this Section 25.16.7(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. 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 25.16.3(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 25.16.3(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 noncompliance. 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

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.7 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 25.16.9. 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 25.16.3(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	Required Conversion Level
Period	
1 <sup>st</sup>	10%
2 <sup>nd</sup>	20%
3 <sup>rd</sup>	50%
4 <sup>th</sup>	75%
5 <sup>th</sup>	85%
6 <sup>th</sup>	100%

## (a) Option 1

(i) 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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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

- 25.16 Contract Offer No. 16 Special Access Service Offer (Cont'd)
  - 25.16.7 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)

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 25.16.4(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

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

25.16.7 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 25.16.7(C)(1)(a).

## (b) Option 2

- (i) The Customer must establish a combined MARC by adding to the Customer's thencurrent 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.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.7 Mergers and Acquisitions Involving the Customer (Cont'd)

(C)  $\frac{\text{Mergers and Acquisitions not Affecting Access Service}}{\text{Ratio}}$ 

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 25.16.3 (E), the Customer must select from Option 3 or 4 of this Section 25.16.7(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.
- (e) 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.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

25.16.7 Mergers and Acquisitions Involving the Customer (Cont'd)

- (C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)
  - (1) Option 3 (Cont'd)
    - (e) (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 25.16.4(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 25.16.7(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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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.7 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.

## 25.16.8 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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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.8 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 25.16.5 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.

## 25.16.9 Termination Liability

# (A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in Southern New England Telephone Company Tariff F.C.C. No. 39, Sections 7, (1), (1) and (1). If the Customer terminates Contract Offer No. 16 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 25.16.2, or fails to meet any of the Terms and Conditions in Section 25.16.3, 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

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(D)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-157.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.9 Termination Liability (Cont'd)

## (A) Termination Liability Charges (Cont'd)

No. 16, and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 39, Sections 7,  $^{(1)}$ ,  $^{(1)}$  and  $^{(1)}$ .

(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. 16 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.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-157.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.9 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 25.16.2 and all Terms and Conditions in Section 25.16.3 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 90 days 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 25.16.4 (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)

(This page filed under Transmittal No. 875 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.16 Contract Offer No. 16 - Special Access Service Offer (Cont'd)

# 25.16.9 Termination Liability (Cont'd)

(C) New Special Access Service Offerings

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 25.16.9 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 16, 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 25.16.9.

(N)

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25. <sup>(1)</sup>

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services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

The Southern New England Telephone Company

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25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-193.

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25. <sup>(1)</sup>

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-193.

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25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-193.

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Issued: August 3, 2005 Effective: August 4, 2005
One SBC Plaza, Dallas, Texas 75202

#### 25. Pricing Flexibility Contract Offerings

#### 25.18 Contract Offering No. 18 - 2005 Access Extension Offer

#### 25.18.1 General Description

Contract Offer No. 18 - 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 25.18.2 and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 18 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 25.18.6 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 25.18.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.18.5, 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 25.18.5 must be purchased through the SBC wholesale sales channel (SBC Industry Markets).

(N)

(N)

(Nx)

(Nx)

(N)

(x) Issued under Authority of Special Permission No. 05-037 of F.C.C.

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(N)

One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings

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## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer

## 25.18.2 Eligibility Criteria

(Nx)

(Nx)

The following eligibility criteria must be met to subscribe to Contract Offer No. 18:

` .

- (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.
  - (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 25.18.5, 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. 18.

(Nx)

(C) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 18 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) Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 33, Contract Offer No. 65.

(Nx)

(D) Discounts applied under Contract Offer No. 18 are applicable for services located in MSAs as listed in Tariff F.C.C. No. 39, Section 24.

(N)

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# 25. <a href="Pricing Flexibility Contract Offerings">Pricing Flexibility Contract Offerings</a> (Cont'd)

# 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

### 25.18.3 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 25.18.6 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. 18 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 25.18.7 (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 25.18.7(B).
- (3) MVP credits will continue to apply, if applicable, until expiration of the MVP agreement. The MVP MATA process will take place as part of the first true-up described in Section 25.18.7 herein.
- (4) Contract Offer No. 18 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 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 the transfer.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.3 Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (6) Customer will be eligible to subscribe to contract offers in Section 25 (or any successor section) filed prior to (providing the subscription window is still open) or after Contract Offer No. 18, as long as such contract offers do not reduce the TRC under Contract Offer No. 18, 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. 39, except as noted herein.
  - (9) The Customer must 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 and Special Access Service.
  - (10) The Customer must submit a completed Letter of Subscription (LOS) to the Qualified Companies as described in  $25.18.3\,(\text{A})$ .

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25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

## 25.18.3 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 25.18.4 and will be measured monthly.
  - (12) The Customer must remit bill payments as described in F.C.C. 39 Section 2.8.2 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 25.18.11 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. 18 during the Term Period, termination liability charges will apply in accordance with Section 25.18.11.

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#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.18 Contract Offering No. 18 2005 Access Extension Offer (Cont'd)

#### 25.18.4 Access Service Ratio

(A) As referenced in Section 25.18.3, 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:

Access Revenue
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:

	General/Basic	
Service	Description	
Voice Grade	7.9.1	
Generic Digital		
Transport (DS0), High		
Capacity (DS1 and DS3)		
Services	7.15.1 & 7.16.1	
(1)	(1)	
(1)	(1)	
(1)	(1)	

(D) (D) (D)

(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. OCN PTP, DSRS, MON and GigaMAN, and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.18 Contract Offering No. 18 2005 Access Extension Offer (Cont'd)
    - 25.18.4 Access Service Ratio (Cont'd)
      - (A) (Cont'd)
        - (2) (Cont'd)

## Table 2

Service	Associated Rate Elements Not Included				
Level	in Interstate Tariff				
Voice	2-wire analog and 2-wire digital loops				
Grade/DS0	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-3 Entrance Facilities				
OC-12	OC-3 Interoffice Transport				
OC-48	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				
0 01101	Dark Fiber - Interoffice				
Transport Products	Dark Fiber - Loop Dark Fiber - Subloop				
FIOGUCES	Dark Fiber - Subloop Dark Fiber Cross Connects				
	Unbundled Dedicated Transport				
	Unbundled Dedicated Transport				

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(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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

# 25.18.4 Access Service Ratio (Cont'd)

- (A) (Cont'd)
  - (4) As new rate elements are introduced to Table 2 in Section 25.18.4(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 25.18.4(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. 18. In the event of a termination by Qualified Companies, termination liability charges will apply as set forth in Section 25.18.11 following.

Credits will not be issued until the Customer has met the 95 percent Access Service Ratio.

# 25.18.5 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 25.18.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.18.5, 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. 18 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. 39, Section 24. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3.

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#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.5 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), (1), (1), STN, (D) FGTS, BCS, (1), (1), DAL, Program (D) Audio, Video

Interstate Switched Entrance Facility, Direct Transport Transport Includes Recurring and Non-Recurring Charges (including termination charges) associated with the products listed where applicable, except as described in Section 25.18.6 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), (1), STN, (D) FGTS, BCS, (1), (1), (1), (1), DAL, (D) Program Audio, Video

Interstate Switched Entrance Facility, Direct Transport
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 25.18.6 following, for all non-price flex qualified services.

All Terms and Conditions for all Contributory Services are governed by their respective tariff sections.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-202.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.6 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 TRC will be established based on billed revenue from Contributory Services, as listed in Section 25.18.5, net of all discounts, credits, and adjustments as specified in Section 25.18.6 (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 25.18.6 (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 25.18.5 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 25.18.5 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 25.18.6(A)(6).
  - (3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 25.18.5 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 25.18.6(A) (6) below.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.6 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	Section 6.2.1
Facilities	
Direct Trunk	Section 6.2.1
Transport	

(6) Non-recurring charges detailed in 25.18.6(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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.6 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 25.18.6(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.

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- 25. <a href="Pricing Flexibility Contract Offerings">Pricing Flexibility Contract Offerings</a> (Cont'd)
  - 25.18 Contract Offering No. 18 2005 Access Extension Offer (Cont'd)
    - 25.18.6 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. 18, 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 25.18.8 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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

# 25.18.6 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 25.18.2(C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 18.

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 25.18.5 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 25.18.6 preceding, measured at the final true-up period described in Section 25.18.7 herein. The Customer will receive a discount on Contributory Subject Services equal to 17 percent of total revenue above 148.9 percent of the TRC.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

## 25.18.6 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 \$67.8M Term Period (GSA)
Difference between 148.9% of TRC and GSA 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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.18 Contract Offering No. 18 2005 Access Extension Offer (Cont'd)
  - 25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)
    - (B) Application of Credits (Cont'd)
      - (3) Transfer of Qualified Services
        - (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.

## 25.18.7 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 25.18.2 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 25.18.2 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 25.18.2 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 25.18.7(D).

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.7 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 25.18.6(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 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 25.18.7(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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

#### 25.18.8 Service Level Agreement (SLA)

The Qualified Companies will calculate the MVP SLA 1 performance measurement point value and the SLA 2 performance measurement as 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 SLA 2 performance measurement 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.

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credit = 1%. (N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

## 25.18.8 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)

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(N)

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- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.18 Contract Offering No. 18 2005 Access Extension Offer (Cont'd)
    - 25.18.9 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 18 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Qualified Companies will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, 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.

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25. <a href="Pricing Flexibility Contract Offerings">Pricing Flexibility Contract Offerings</a> (Cont'd)

25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

# 25.18.10 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. 18 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 25.18.9 above do not apply when the merger or acquisition occurs in accordance with the provisions outlined in this section 25.18.10.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

### 25.18.11 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 39, Section 7. If the Customer terminates Contract Offer No. 18 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 25.18.2, or fails to meet any of the Terms and Conditions in Contract Offer No 18, 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. 18 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 commitment based upon the remaining months of 2005, as well as any credits received under this Contract Offer.

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(N)

TARIFF F.C.C. NO. 39
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(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.18 Contract Offering No. 18 - 2005 Access Extension Offer (Cont'd)

# 25.18.11 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.

(N)

\$17.5M + \$5M = \$22.5M in termination liability.

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### 25. Pricing Flexibility Contract Offerings

## 25.19 Contract Offer No.19 - Comprehensive Access Service Offer

# 25.19.1 General Description

Comprehensive Access Service Offer (Contract Offer No. 19) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.19.5 for the Subject Services as outlined in Section 25.19.2 below.

# 25.19.2 Subject Services Available under Contract Offer No. 19

Contract Offer No. 19 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following Tariff Sections:

- (1) (1) Service, F.C.C. No. 39, Section (1) and Section (1);
- (2) DS1 Service, F.C.C. No. 39, Section 7 and Section 24;
- (3) DS3 Service, F.C.C. No. 39, Section 7 and Section 24; (4) (1) Service, F.C.C. No. 39, Section (1) and Section (1); and (5) Collocation Transport Service, F.C.C. No. 39, Section 18 and Section 24

# 25.19.3 <u>Eligibility Criteria</u>

- (A) The following eligibility criteria must be met in order to subscribe to Contract Offer No. 19:
  - Service must be located in Pricing Flexibility MSAs: Bridgeport-Stamford-Norwalk-Danbury, CT; Hartford, CT; New Haven-West Haven-Waterbury-Meriden, CT; New London - Norwich, CT.
  - (2) Customer must have at least \$1.3M total monthly billing for Access Services with The Southern New England Telephone Company. This is not a Minimum Monthly Revenue Commitment.
  - (3) Any non channelized DS3,  $^{(1)}$  or  $^{(1)}$  circuit that (D) terminates at an End User Premise is not eligible for inclusion in this Contract Offer No. 19.

All terms and conditions for the qualified 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 and DSRS 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 destariffed carriages are available at conditions associated with de-tariffed services are available at <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 19 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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# 25.19 Contract Offer No. 19 - Comprehensive Access Service Offer Cont'd)

# 25.19.4Terms and Conditions

### (A) Term Period

The contract term (Term Period) shall be five (5) years, commencing on the date the Customer's Letter of Subscription is received by the Telephone Company. Billing for Contract Offer No. 19 shall commence upon completion of the Customer's access service order, but no later than 30 days after the Telephone Company's receipt of the Letter of Subscription. This offer is not renewable.

The Customer will, upon the expiration of this Contract Offer No. 19, have the option to extend the terms and conditions of this offer for one (1) term period of two (2) years (Extension Period). The Customer must notify the Telephone Company of its intention to extend the terms of this Contract Offer No. 19 no less than 30 days prior to expiration of the original term.

At the expiration of the Term Period or Extension Period, the Customer may choose from the payment options as described in SNET Tariff F.C.C. No. 39 outlined in the respective section governing each Subject Service.

If, at the expiration of the Term Period or Extension Period, the Customer elects to continue service and does not select a payment option or extension as described in the SNET Tariff F.C.C. No. 39, Section 24, services under Contract Offer No. 19 will be billed at the prevailing monthly extension rate as outlined in the respective Section governing each Subject Service.

Rate stability under Contract Offer No. 19 applies only to the rates specific to this Contract Offer as outlined in Table 1 in Section 25.19.5. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of SNET Tariff F.C.C. No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 8- Testing, Maintenance, and Additional Labor 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 19.

- (B) Contract Offer No. 19 is available for subscription only from August 9, 2005, through September 9, 2005;
- (C) In order to subscribe to Contract Offer No. 19, the Customer must submit a Letter of Subscription to the Telephone Company;

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.19 Contract Offer No. 19 - Comprehensive Access Service Offer Cont'd)

## 25.19.4 Terms and Conditions (Cont'd)

- (D) If the Customer should discontinue service under Contract Offer No. 19 during the Term Period, termination liability charges will apply in accordance with Section 25.19.9;
- (E) The Customer must subscribe to the services available under this Contract Offer No. 19 in accordance with the regulations set forth in Section 5 - Ordering Regulations;
- (F) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Term Period, the Customer cancels the service request, 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 modifications to the network design originally constructed for the Customer under Contract Offer No. 19, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 8, which include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;
- (H) The Customer may not include 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. This Contract Offer No. 19 will not preclude the Customer from subscribing to the Broadband Pricing Plan F.C.C. 39, Section 25.15. Upon Customer's subscription to this Contract Offer (and pending Customer's subscription to Contract Offer No. 15), the Telephone Company will convert Level I Subject Services provided under Contract Offer No. 15, Section 25.15.1, to Level II;
- (I) The Customer must purchase a minimum of four (4) new (1) upon subscription to this Contract Offer. New (1) will (D) be billed in (1) quad increments (per ring) as follows: (D)

(D)

(D)

(D)

- (1)1st (1) initially upon agreement (2)2nd (1) by end of Term Year 2 (3)3rd (1) by end of Term Year 4
- (4)4th (1) by end of Term Year 4;
- $^{(1)}$  See footnote (1) on page 25-220.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.19 Contract Offer No. 19 - Comprehensive Access Service Offer (Cont'd)

## 25.19.4 Terms and Conditions (Cont'd)

(J) At the Customer's option, throughout the Term Period, the Customer may purchase fiber from the Telephone Company to connect the Customer's existing floor space within a central office to a new collocation cage obtained by the Customer. The necessary fiber and labor charges will be billed at the prevailing rates at the time of request on an individual case basis. The Customer will also have the option to purchase Collocation Transport from the Telephone Company at the discounted rate as described in Section 25.19.5 Table 1. Collocation space must be purchased from F.C.C. Tariff No. 39, Expanded Interconnection, Sections 18 and 24.

## 25.19.5 Rates and Charges

- (A) For the existing Subject Service circuits, the Customer will receive a discount of 19% off all rate elements for the eligible DS1, DS3, and <sup>(1)</sup> Subject Services. Existing circuits will be rated with the bundled USOC 1ZZPZ. Rates for Non-Channelized DS3, <sup>(1)</sup>, and <sup>(1)</sup> Subject Services eligible for the Broadband Pricing Plan will be covered in F.C.C. No. 39, Section 25.15.
- (B) Purchase of new Subject Services DS1, DS3, Collocation Transport and <sup>(1)</sup>Services will receive the discounts listed in Table 1. Circuits will be considered new if they have a service establishment date equal to or greater than the effective date of this Contract Offer. New Subject Services DS1 and DS3 will be rated using the bundled rate USOC 1ZZPZ, until such time as the Telephone Company can bill on an individual USOC level (the Telephone Company will notify the Customer of the changed USOC once determined). Additional rate elements not included in Table 1 will be billed at prevailing tariff rates. Non-recurring charges (NRCs) will follow the underlying tariff rates for all Subject Services installed during the term of this Contract Offer based on the term plan chosen.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-220.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

25.19 Contract Offer No. 19 - Comprehensive Access Service Offer (Cont'd) 25.19.5 Rates and Charges (Cont'd)

# Table 1

Subject Service Description	USOC (to be zero rated and bundled rate 1ZZPZ to be used)		
High Capacity Special Access Service - DS1 Standard Channel Termination (per point of termination)	TZ4AX	Flat rate of \$119.25 to be applied to all zones	
High Capacity Special Access Service - DS3 3-1 MUX	QM3XX	Flat rate of \$225.00 to be applied to all zones	
High Capacity Special Access Service - DS3 Standard Channel Termination (per point of termination)	TZ4BX	Flat rate of \$851.00 to be applied to all zones.	
High Capacity Special Access Service - DS3	1YBBX Fixed	Flat rate of \$225.00 to be applied to all zones.	
Channel Mileage Fixed and Variable	1YBBX Variable	Flat rate of \$17.50 per mile to be applied to all zones.	
(1)			
(1)	(1)	(1)	
(1)	(1)	(1)	
(1)	(1)	(1)	
(1)	(1)	(1)	
(1)	(1)	(1)	
(1)	(1)	(1)	
(1)	(1)	(1)	
Optical to electrical DS1 Add/Drop per to DS1	(1)	(1)	
(1)	(1)	(1)	
(1)	(1)	(1)	
Collocation Transport			
DS1 Fixed Mileage	1H48S	\$39.20	
DS1 Variable Mileage	1H48S	\$9.60	
DS3 Fixed Mileage	1H48S \$399.30		
DS3 Variable Mileage	1H48S \$48.84		
OC3 Point to Point Fixed	1H48S	\$584.76	
OC3 PTP Variable Mileage	1H48S	\$145.20	
OC12 Point to Point Fixed	1H48S	\$1,485.00	
Oc12 PTP Variable Mileage	1H48S	\$145.20	
OC48 Point to Point Fixed	1H48S	\$2,970.00	
OC48 PTP Variable Mileage	1H48S \$145.20		
OC192 Point to Point Fixed	1H48S	\$8,910.00	
OC192 PTP Variable	1H48S	\$145.20	

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-220.

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25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.19 Contract Offer No. 19 - Comprehensive Access Service Offer (Cont'd)

### 25.19.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 39, Section 19 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 19, unless:

- (A) The proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (B) or (c) below, or 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).
- (B) 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.
- (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 "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.

# 25.19.7 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 or acquisition, the other company involved in the merger or acquisition may also purchase 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.19 Contract Offer No.19 - Comprehensive Access Service Offer (Cont'd)

## 25.19.8 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section <sup>(1)</sup>. If the Customer terminates Contract Offer No. 19 before the completion of the Term Period for any reason, 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 termination and are payable as described in Section 23.2 (I). 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 billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a \$20,000 monthly recurring charge terminates service after two (2) years and has thirty six (36) months remaining in a five (5) year term plan. The termination liability would be calculated as:

 $$20,000 \times 36 \times 50\% = $360,000 \text{ termination liability charge.}$ 

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<sup>(1)</sup> See footnote (1) on page 25-220.

## 25. Pricing Flexibility Contract Offerings

### 25.20 Contract Offer No. 20 - Special Access Service Offer

## 25.20.1 General Description

Special Access Service Offer (Contract Offer No. 20) is an access discount pricing plan for which 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. Contract Offer No. 20 is available to any Customer with at least \$12.0 million in cumulative annual recurring revenue for Contributory Services, as defined in Section 25.20.2(C) and 25.20.4(C). The Customer must meet the Eligibility Criteria set forth in Section 25.20.2 and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 20 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 25.20.4(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 25.20.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): (1), ATM, and Frame Relay services. 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 SBC wholesale sales channel (SBC Industry Markets). Any ATM and 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 website established to make public any agreements for these services. Customers may reference https://primeaccess.att.com.

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 25.20.4(E). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of the terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 25.20.11, shall apply. Contract Offer No. 20 will only be available September 7, 2005 through October 7, 2005.

(1) Material previously contained in this section has been deleted. OCN PTP, DSRS, GigaMAN, MON, and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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## 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

# 25.20.1 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 25.20.4(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 25.20.9, shall apply. Contract Offer No. 20 will be available for subscription from September 7, 2005 through October 7, 2005.

## 25.20.2 Eligibility Criteria

- (A) The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 20, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:
  - (1) Contract Offer No. 20 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs): Harford, Bridgeport, New Haven and New London, CT

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 25.20.4;

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(N)

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(Nx)

# 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

# 25.20.2 Eligibility Criteria (Cont'd)

- (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;

# (B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 20, pursuant to the following tariffs:

- (1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 79;
- (2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No .70, and
- (3) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 58.

(x) Issued under Authority of Special Permission No. 05-041 of F.C.C.

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Issued: September 6, 2005 Effective: September 7, 2005

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### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

# 25.20.2 Eligibility Criteria (Cont'd)

## (C) Contributory Subject Services

Contract Offer No. 20 applies to pricing-flexibilityqualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

Service	General Basic	Rates & Charges	Rates & Charges
	Description	Phase I	Phase II
Special Access			
High Capacity Service	7.16.1	7.16.4	24.5.2.6
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
Voice Grade Service	7.9.1	7.9.4	24.5.2.1
Switched Access Dedicated Transport Services	6	6.3	24.5

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 25.20.4. 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 25.20.4.

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<sup>(1)</sup> See footnote (1) on page 25-227.

(N)

# 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

## 25.20.3 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. 20 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. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 8-Testing, Maintenance and Additional Labor 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. 20 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. 39, Section 2.13, 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 SNET Tariff F.C.C. No. 39, Section 5 - Ordering Regulations.

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## 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

# 25.20.3 Terms and Conditions (Cont'd)

- (F) The Customer may not subscribe to any future Contract Offerings in Section 25 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.
- 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 2.8 of F.C.C. Tariff No. 39 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 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 25.20.11 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 2.8.
- (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.

# 25.20.4 Minimum Annual Revenue Commitment (MARC)

Contract Offer No. 20 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 25.20.4(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 25.20.2(C), herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services).

(N)

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## 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

## 25.20.4 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)

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# 25. Pricing Flexibility Contract Offerings

# 25.20 Contract Offer No. 20 - Special Access Service Offer

# 25.20.4 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 25.20.4(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 25.20.4. 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

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

# 25.20.4 <u>Minimum Annual Revenue Commitment (MARC)</u> (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 25.20.4(E). This option cannot be combined with the MARC adjustment option as described in Section 25.20.4(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 25.20.9, 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 25.20.2 and Terms and Conditions in Section 25.20.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 25.20.5.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

### 25.20.4 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. 20, and termination charges will apply as set forth in Section 25.20.11.

#### 25.20.5 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 25.20.2, 25.20.4, 25.20.9 and 25.20.10.

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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

## 25.20.5 Discounts and Other Credits (Cont'd)

(A) <u>Discount Schedule and Application</u> (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 \times 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 \times 2.78\% = $312,194$ 

### 25.20.6 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 25.20.4 (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  $^{(1)}/^{(1)}$  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:

(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 25-227.

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Issued: January 24, 2008 Effective: February 8, 2008

Four AT&T Plaza, Dallas, Texas 75202

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- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.20 Contract Offer No. 20 Special Access Service Offer (Cont'd)
    - 25.20.6 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 25.20.4 and/or has earned any incentive credits as described in Section 25.20. 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  $^{(1)}/^{(1)}$  services during 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 25.20.4 after such calculation as described above, the Customer will be subject to the true-up provision as stated in Section 25. 20.4 (E)

For purposes of this Contract Offer, a new  $^{(1)}/$   $^{(1)}$ service 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)/(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.

Effective: February 8, 2008

(1) See footnote (1) on page 25-227.

Issued: January 24, 2008

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Four AT&T Plaza, Dallas, Texas 75202

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### 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

#### 25.20.6 Incentives (Cont'd)

### (B) Conversion of DS1 or DS3 capacity loops:

For customers who subscribe to this Contract Tariff No. 20 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. 20, 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 25.20.4. In subsequent years, the converted UNE services would count as \$1,000,000 (\$1M) towards MARC calculations.

### 25.20.7 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 25.20.4 (A) and/or fails to pay the Annual True-Up as defined in Section 25.20.4 (E), termination liability charges will apply as set forth in Section 25.20.11.

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 SNET F.C.C. No. 39, Section 5.4 for Subject Services pursuant to this Contract Offer.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont')

### 25.20.8 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
- (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 25.20.2 (B).
- (3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date
- one (1) month from the original installation date.

  (4) DS3, (1) and (1) Services must have been in service for a (D) minimum of one (1) year from the original installation date.
- date.
  (5) (1), (1) and (1) Services must have been in service for a (D) minimum of three (3) years from the original installation date.
  - If, and to the extent that <sup>(1)</sup> becomes eligible for pricing flexibility, <sup>(1)</sup> may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such <sup>(1)</sup> service shall be eligible for portability provided that, for each <sup>(1)</sup> circuit to be ported:

(D) (D) (D)

(D)

- (a) facilities necessary to provide <sup>(1)</sup>, as specified in F.C.C. No. 39, Section <sup>(1)</sup>, 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.

#### 25.20.9 Mergers and Acquisitions Involving the Customer

- (A) The Terms and Conditions of Contract Offer No. 20 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 25.20.4.
- (1) See footnote (1) on page 25-227.

(This page filed under Transmittal No. 965)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

# 25.20.9 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 25.20.2 and 25.20.3 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 25.20.4, 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 25.20.4, 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

## 25.20.9 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 25.20.5 (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 25.20.5(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.
- (iii) This option is not available in Year 5 of the Term Period.

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25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

### 25.20.10 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 25.20.5 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.

(This page filed under Transmittal No. 890 )

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

# 25.20.11 Termination Liability

## (A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39, Section 7. If the Customer terminates Contract Offer No. 20 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 25.20.2, or fails to meet any of the Terms and Conditions in Section 25.20.3, 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. 20 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 39, Section 2.8.

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. 20 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

- 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.
- 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.
- 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
  If terminated in Year 5, 10% of the Year 5 MARC for the remaining portion of Year 5.

(This page filed under Transmittal No. 890 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.20 Contract Offer No. 20 - Special Access Service Offer (Cont'd)

# 25.20.11 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 25.20.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 20, 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 25.20.11.

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(This page filed under Transmittal No. 890 )

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### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings

# 25.21 Contract Offer No. 21- Special Access Service Offer

# 25.21.1 General Description

Special Access Service Offer is an access discount plan for DS1, DS3, (1), (1) Services (DSRS), and (1) Services (Contract Offer No. 21), 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. 21 is available to any Customer with at least \$ 2,000,000 in cumulative annual revenue for Subject Services as described in Section 25.21.2 for the above mentioned SBC Companies. Customer must meet the eligibility criteria set forth in Section 25.21.3 and also must comply with the terms and conditions as described in Section 25.21.4. This contract offering is available in the MSAs listed in Section 25.21.3.

Contract Offer No. 21 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 25.21.5. Notwithstanding the obligation to pay such shortfall, if the Customer does not comply with Section 25.21.5, Termination Liability Charges in accordance with Section 25.21.8 shall apply..

Contract Offer No. 21 is only available for subscription September 7, 2005 through October 7, 2005. This offer is not renewable.

OCN PTP, DSRS, and GigaMAN services formerly contained in this Section has been deleted. OCN PTP, DSRS, and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

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### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

# 25.21.2 Subject Services Available Under Contract Offer No. 21

Contract Offer No. 21 applies to pricing-flexibilityqualified access services (Hereafter referred to as Subject Services) contained in the following tariff sections:

- (1) High Capacity Special Access Services The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 7.16
- (2)  $^{(1)}$  Services The Southern New England Telephone Company Tariff F.C.C. No. 39, Section  $^{(1)}$
- (3) (1) Services The Southern New England Telephone Company Tariff F.C.C. No. 39, Section (1)
- (4) (1) Service The Southern New England Telephone Company Tariff F.C.C. No. 39, Section (1)

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. 21 conflict with such respective tariff sections, in which case the provisions provided herein shall prevail.

# 25.21.3 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. 21:
  - (1) Service must be a pricing-flexibility-qualified access service described in Section 25.21.2.
  - (2) Services must be located in the following Pricing Flexibility Qualified MSAs:

Bridgeport CT and Hartford CT

(This page filed under Transmittal No. 965)

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-246.

# 22. Pricing Flexibility Contract Offerings (Cont'd)

# 22.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

# 22.21.3 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. 21 pursuant to the following tariffs:
    - (a) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 71
    - (b) Ameritech Tariff F.C.C. No. 2, Section 22, Contract offer No. 80
    - (c) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 59

# 22.21.4 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 SNET Tariff F.C.C. No. 39 Sections 7, (1), and (1) for DS1, DS3, (D) (1), (1), and (1) Service. (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 SNET Tariff F.C.C. No. 39, Sections 7, (1) and (1), Subject Services will be converted (D) to the prevailing applicable monthly tariff rates.

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<sup>(1)</sup> See footnote (1) on page 25-246.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

### 25.21.4 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 25.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 Southern New England Telephone Company F.C.C. Tariff No. 39, as set forth in Section 2-General Regulations, Section 5-Ordering Regulations, and Section 8 -Testing, Maintenance, and Additional Labor 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 this Contract Offer.

- (B) Contract Offer No. 21 is only available September 7, 2005, through October 7, 2005;
- (C) In order to subscribe to Contract Offer No. 21, 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 25.21.6.
- (E) Subject Services in Section 25.21.2 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 25.21.6.
- (F) Customer must subscribe to the services available under this Contract Offer in accordance with the regulations set forth in Section 5 - Ordering Regulations;

(This page filed under Transmittal No. 891 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21Contract Offer No. 21- Special Access Service Offer (Cont'd)

## 25.21.4 Terms and Conditions (Cont'd)

- (G) Subject to the provisions of Section 25.21.7, DS1 and DS3 Portability, if the Customer terminates any Subject Services during the Term Period, termination liability charges shall apply in accordance with Section 25.21.8;
- (H) If the Customer requests additional service features and functions not included in 25.21.6, the Customer must pay the applicable tariff rates for those additions as contained in Section 24 - 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) 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.

### 25.21.5 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 25.21.2. 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 25.21.5(C) below.

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(This page filed under Transmittal No. 891 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

# 25.21.5 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 25.21.5 (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.21 and termination liability charges will apply as set forth in Section 25.21.8.

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### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

## 25.21.6 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 25.21.2.

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 - TZ4BX - per pt of term.	\$775.00
Channel Mileage - FIXED - 1YBBX	\$232.75
Channel Mileage - PER MILE - 1YBBX	\$25.00
Multiplexing - DS3 to DS1 - QM3XX	\$427.50

(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-246.

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### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

### 25.21.6 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 <sup>(1)</sup>, <sup>(1)</sup>, and <sup>(1)</sup> Service subscribed to this Contract Offer based on the cost of the Telephone Company to provide the new service.

# 25.21.7 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. 21 as long as the DS1 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 25.21.3 and terms and conditions in Section 25.21.4 have been met. The inservice period is calculated from the date the circuit is installed, which may be earlier than the date the Term Period of Contract Offer No. 21 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. 21, provided that the eligibility criteria in Section 25.21.3 and terms and conditions in Section 25.21.4 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 25.21.8.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-246.

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

### 25.21.8 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Sections 7, (1), 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.

If the Customer fails to meet any of the eligibility criteria in Section 25.21.3, or fails to meet any of the Terms and Conditions in Section 25.21.4, 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

 $$1202.50 \times 6 \times .50 = $3607.50$  termination liability charge.

 $^{(1)}$  See footnote (1) on page 25-246.

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Issued: January 24, 2008 Effective: February 8, 2008

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.21 Contract Offer No. 21- Special Access Service Offer (Cont'd)

# 25.21.8 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:

 $(\$2,000,000 - 1,500,000) + (50\% \text{ of } \$2,000,000 \times 1)$  = \$1,500,000 termination liability charge.

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### ACCESS SERVICE

### 25. Pricing Flexibility Contract Offerings

# 25.22 Contract Offering No. 22 - Access Discount Offer

#### 25.22.1 General Description

Contract Offer No. 22 - 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 25.22.2, and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 22 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 25.22.6 following. The TRC shall include all Contributory Services subject to this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 25.22.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.22.5, 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 25.22.5 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.

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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 25.22.6. 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 25.22.8. 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 25.22.13 (A) of this Contract Offer, termination liability charges, in accordance with Section 25.22.13, will apply. Contract Offer No. 22 will be available only from November 19, 2005 through December 19, 2005.

(This page filed under Transmittal No. 988 )

Effective: September 2, 2009

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(This page filed under Transmittal No. 896)

Issued: November 18, 2005Effective: November 19, 2005

One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.2 Eligibility Criteria

The following eligibility criteria must be met to subscribe to Contract Offer No. 22:

- (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.
  - (2) The Customer must maintain eligibility under all MVP agreements until they expire.
  - (3) All such MVP agreements must expire in 2005.
- (B) As of December 1, 2005, the Customer must have billed As of December 1, 2005, the Customer must have billed revenue from Contributory Services, as listed in Section 25.22.5, 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 25.22.6) 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 25.22.2(C), an additional amount sufficient to make up the shortfall from that amount, no later than 60 days after December 1, 2005. than 60 days after December 1, 2005.
- (C) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 22 pursuant to the following tariffs:

- (1) NBTC Tariff F.C.C. No. 1, Section 23, Contract
- Offer No. 5; (2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 74;
- (3) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 90; 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.

- (D) Discounts applied under Contract Offer No. 22 are applicable for Contributory Subject Services located in MSAs as listed in Tariff F.C.C. No. 39, Section 24.
- (x) Issued under Authority of Special Permission No. 05-060 of F.C.C.

(This page filed under Transmittal No. 896)

Issued: November 18, 2005 Effective: November 19, 2005

Issued: November 18, 2005Effective: November 19, 2005

One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.3 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 25.22.6.
- (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 25.22.6.
  - (a) With respect to each month's billing, the monthly true-up will include all qualified billing from Contributory Services, as described in 25.22.6(B), and will take place no later than 60 days after the end of the month, as described in Section 25.22.8,
  - (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 25.22.6, and will take place no later than 60 days after December 31, as described in 25.22.8,.
- (3) MVP credits will continue to apply, if applicable, until expiration of the MVP agreement.
- (4) Contract Offer No. 22 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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.3 Terms and Conditions (Cont'd)

- (B) Terms and Conditions (Cont'd)
  - (7) The Customer will be eligible to subscribe to contract offers in Section 25 (or any successor section) filed after Contract Offer No. 22, 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. 22, the Customer will not be eligible to earn Achievement Credits with respect to any charges that apply under the other contract offer.
    - offer.

      (c) If the Customer purchases Contributory Services pursuant to another contract offer that states 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. 22 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. 39 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 Regulations.
  - (12) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company as described in Section 25.22.3(A).

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.3 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 25.22.11 (B). The Access Service Ratio is defined in Section 25.22.4, and will be measured monthly.
  - (14) Commingling, as defined in Tariff F.C.C. No. 39, Section 2.13, 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 25.22.2 (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. 39 Section 2.8 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 25.22.2 (C), termination liability charges, as set forth in Section 25.22.13, 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. 22 during the Contract Period, termination liability charges will apply in accordance with Section 25.22.13.
  - (18) The Customer may exercise Contract Offer extension options as described in Section 25.22.9.

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### ACCESS SERVICE

### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

#### 25.22.4 Access Service Ratio

(A) As referenced in Section 25.22.4, the Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater, except as described in Section 25.22.11(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 25.22.11.

The 95-percent ratio is calculated as follows:

# Access Revenue 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 25.22.2(C):

Table 1:

Service	General/Basic Description
Voice Grade	7.9.1
High Capacity Services	7.16.1
(1)	(1)
(1)	(1)
(1)	(1)

Any shortfall payments remitted to meet the monthly TRC commitment will be included in the Access Revenue calculation for the applicable month.

(D) (D)

(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 25.22.2 (C) and not included in the interstate or intrastate access tariff(s).

(1) Material previously contained in this section has been deleted. OCN PTP, DSRS, GigaMAN, MON and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 22 shall remain in effect according to its <a href="existing terms">existing terms</a> 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
    - 25.22.4 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 Unteroffice 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

(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.

Effective: February 8, 2008

(This page filed under Transmittal No. 966 )

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Issued: February 5, 2008

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.4Access 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 25.22.4(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 25.22.4(A) preceding, for calculation of the Access Service Ratio.
  - (6) Except as provided in Section 25.22.11, 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 25.22.2 (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. 22. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 25.22.13.

Credits will not be issued for any month the Customer fails to meet the Access Service Ratio as described in Section 25.22.6 following.

### 25.22.5 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 25.22.2 (C), eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 25.22.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.22.5, 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 25.22.2 (C), as listed in Table 3 and 4 below.

(A) Contributory Subject Services

Contract Offer No. 22 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. 39, Section 24. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3.

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.5 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), (1), 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 25.22.6 following, for all services located in Pricing Flexibility MSAs.

Table 4 - CONTRIBUTORY NON-SUBJECT SERVICES

Contributory Non-Subject Services		
Interstate Special Access	VG, DS0, DS1, DS3, (1), (1), (1), 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 25.22.6 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.

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All Terms and Conditions for all Contributory Services are governed by their respective tariff sections.

 $^{(1)}$  See footnote (1) on page 25-261.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.6 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 25.22.5, net of all discounts, credits, and adjustments as specified in Section 25.22.6(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

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 25.22.6(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 25.22.2(C), as described in Section 25.22.5 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 25.22.5 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 25.22.6(A)(7).
  - (3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 25.22.5 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 25.22.6(A) (7).

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.6 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

TUDIC 0		
Service	General Basic Description	
Entrance Facilities	Section 6	
Direct Trunk Transport	Section 6	

- (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 25.22.6(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 25.22.2 (C). The sum of all Basic Credits applicable under the individual contract offers listed in Section 25.22.2 (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 25.22.2(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 25.22.11 following. The Customer will receive Basic Credits on Contributory Subject Services on a monthly basis, as provided in Section 25.22.6 (B) (1) (b), for each Contract Year and subject to the true-up process described in Section 25.22.8 following.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.6 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 \times 310\% = $27.13M$ 

\$27.13M - \$8.75M = \$18.38M, rounded to the nearest million, equals potential maximum Basic Credits

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.6 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 \times 12 \times 89.7\% = $94.18M$ , rounded to the nearest million

The eligible total Basic Credit available is;

 $$94M \times 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  $31^{\rm st}$  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 25.22 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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.6 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. 22 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 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 25.22.8, 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. 22.

At the Contract Year true-up, the total Gross Spend and total credits paid to the Customer, as described in Section 25.22.6 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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.6 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 25.22.11, 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 25.22.11. Any Basic Credits paid will not exceed the amount described in 25.22.6, Table 7.

A final true-up will take place at the end of each Contract Year as described in Section 25.22.8.

(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 25.22.2 (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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.6 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 25.22.2 (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 25.22.2 (C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 22.

# (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 25.22.2 (C). If qualified, award of Achievement Credit under this Contract Offer shall satisfy the Telephone Company's Achievement Credit obligations.

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- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.6 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	\$223K
17%	

The Customer receives \$18M in Basic Credits plus \$223K in Achievement Credits, for total credits of \$18.223M, as described in Table 8.

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- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
    - 25.22.6 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.

### 25.22.7 Portability

- (A) The Telephone Company will waive termination liability charges for moves and/or disconnection of non-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 25.22.2, and terms and conditions in Section 25.22.3 have been met. If the Customer both (i) fails to meet the monthly TRC during the Contract period pursuant to Section 25.22.6, and (ii) fails to pay the True-up amount, as defined in Section 25.22.8, 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 25.22.1; and
  - (2) Services moved or disconnected must be in the Price Flex MSAs described in Tariff F.C.C. No. 39, Section 24.

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(1) See footnote (1) on page 25-261.

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(D)

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.7Portability (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; (b) DS3,  $^{(1)}$  and  $^{(1)}$  Services 1 year minimum in-
    - service period; and (c) (and (c) (and (c) (and (c) Services 3 year minimum in-service period;
  - (3) The Customer must continue to meet the terms and conditions of any underlying term plan.

### 25.22.8 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 25.22.6 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 25.22.6 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 25.22.6 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 25-261.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.8 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 25.22.6(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 25.22.8 (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 25.22.6, 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 25.22.2 (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)

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.9 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 25.22.2(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 25.22.2 (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 25.22.11(A) following. An Achievement Credit of 17 percent will apply on revenue above 120 percent of the TRC, except as described in Section 25.22.11 (A) following.

### Example:

(TRC X 120% - TRC) - (any credit reduction as described in Section 25.22.11)

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 25.22.11(A) following. An Achievement Credit of 17 percent will apply on revenue above 120 percent of the TRC, except as described in Section 25.22.11 (A) following.

# Example:

(TRC X 120% - TRC) - (any credit reduction as described in Section 25.22.11)

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(N)

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.10 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 22 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, 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 25.22.2(C) must be assigned or transferred concurrently. Those contract offers may not be assigned or transferred individually.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.11 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. Transaction Close Date, if the Acquired Company purchases any services that are Contributory Services under this Contract Offer No. 22 from the Telephone Company and each of its affiliated telephone companies in each of the contract offers described in Section 25.22.2 (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 25.22.6(A) of this Contract Offer, plus the Acquired Company's billed revenue for UNE or equivalent offerings, as described in Section 25.22.4, 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 25.22.11(B) of this Contract Offer.

(N)

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# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.11 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 the sum of the TRC plus the Maximum Basic The Ceiling shall be 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. 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 25.22.11(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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.11 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 25.22.11(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 25.22.11(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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.11 Mergers and Acquisitions (Cont'd)

- (A) (Cont'd)
  - 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 25.22.11(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 arrangement. The Customer's Maximum Basic Credit and the customer will not change as a result of this transfer except as described in Section 25.22.11(A) (2) (a) of this Contract Offer. The Access Service Ratio, as described in Section 25.22.4, will be applicable to all of 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 25.22.11(A)(2)(a) of this Contract Offer. The new TRC will apply thereafter, unless the TRC is subsequently changed pursuant to this Contract Offer.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.11 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 25.22.4 of this Contract Offer, subject to the provisions of this Section 25.22.11(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 25.22.4, 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 25.22.4 of this Contract Offer, for the Acquired Company, for the month immediately following the Transaction Close Date, according to the following formula.

Acquired Company Access Revenue

Acquired Company Access Revenue + Acquired Company Wholesale Revenue

Example:

\$35M Access \$35M Access + \$34M Wholesale

The Temporary Access Services Ratio would be:

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50.7%/49.3%

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

- 25.22 Contract Offering No. 22 Access Discount Offer (Cont'd)
  - 25.22.11 Mergers and Acquisitions (Cont'd)
    - (B) Mergers and Acquisitions Affecting Access Service Ratio  $\overline{\text{(Cont'd)}}$ 
      - (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:

# Combined Access Revenue

Combined Access Revenue + (Combined Wholesale - 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:

\$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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

### 25.22.11 Mergers and Acquisitions (Cont'd)

- (B) Mergers and Acquisitions Affecting Access Service Ratio  $\overline{\text{(Cont'd)}}$ 
  - (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 25.22.4 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 25.22.4 of this Contract Offer shall apply.
    - (f) The provisions of this Section 25.22.11 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 25.22.11(A) preceding. 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.12 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 25.22.2 (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.

# 25.22.13 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 39, Section 7, Section (1), and Section (1). If the Customer (D) terminates Contract Offer No. 22 before the expiration of the Term Period for any reason, except for that defined in 25.22.13 (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 25.22.2, or fails to meet any of the terms and conditions in Contract Offer No. 22, 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. 22, and termination liability charges will apply as stated in 25.22.13 (C), and will be payable within sixty (60) days from the time the contract is deemed terminated.

 $^{(1)}$  See footnote (1) on page 25-261.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.13 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 25.22.2(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)

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.13 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. 39.
  - (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.

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One SBC Plaza, Dallas, Texas 75202 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.22 Contract Offering No. 22 - Access Discount Offer (Cont'd)

# 25.22.13 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 25.22.13 (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 \times 25\% = $21.9M \text{ for Contract Year } 3$ 

Contract Year 2 + Contract Year 3 + Last 6 months of credits

\$15.5M + \$21.9M + \$6M = \$43.4M Termination Liability

(This page filed under Transmittal No. 896 )

Issued: November 18, 2005 Effective: November 19, 2005

TARIFF F.C.C. NO. 39
2nd Revised Page 25-289
Cancels 1st Revised Page 25-289

#### ACCESS SERVICE

25. <sup>(1)</sup> (D)

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 23 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-290 Cancels 1st Revised Page 25-290

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left(1\right)}$  See footnote (1) on page 25-289.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-291 Cancels 1st Revised Page 25-291

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left(1\right)}$  See footnote (1) on page 25-289.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-292 Cancels 1st Revised Page 25-292

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left(1\right)}$  See footnote (1) on page 25-289.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-293 Cancels 1st Revised Page 25-293

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left(1\right)}$  See footnote (1) on page 25-289.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-294
Cancels 1st Revised Page 25-294

### ACCESS SERVICE

25. <sup>(1)</sup> (D)

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Issued: January 24, 2008 Effective: February 8, 2008

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 24 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-295 Cancels 1st Revised Page 25-295

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-294.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-296 Cancels 1st Revised Page 25-296

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-294.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-297 Cancels 1st Revised Page 25-297

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-294.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-298 Cancels 1st Revised Page 25-298

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-294.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-299 Cancels 1st Revised Page 25-299

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-294.

## ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-294.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-301
Cancels 1st Revised Page 25-301

ACCESS SERVICE

25. <sup>(1)</sup>

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-302 Cancels 1st Revised Page 25-302

ACCESS SERVICE

25 <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-301.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-303 Cancels 1st Revised Page 25-303

ACCESS SERVICE

25 <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-301.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-304 Cancels 1st Revised Page 25-304

ACCESS SERVICE

25 <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-301.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-305 Cancels 1st Revised Page 25-305

ACCESS SERVICE

25 <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-301.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-306
Cancels 1st Revised Page 25-306

ACCESS SERVICE

25 <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-301.

## ACCESS SERVICE

25 <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-301.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-308
Cancels 1st Revised Page 25-308

ACCESS SERVICE

25. <sup>(1)</sup> (D)

(This page filed under Transmittal No. 965 )

Issued: January 24, 2008 Effective: February 8, 2008

<sup>(1)</sup> 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 26 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-309
Cancels 1st Revised Page 25-309

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-308.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-310
Cancels 1st Revised Page 25-310

## ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-308.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-311 Cancels 1st Revised Page 25-311

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-308.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-312
Cancels 1st Revised Page 25-312

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-308.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-313
Cancels 1st Revised Page 25-313

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-308.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-314 Cancels 1st Revised Page 25-314

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-308.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-315
Cancels 1st Revised Page 25-315

### ACCESS SERVICE

25. <sup>(1)</sup> (D)

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 27 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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Issued: January 24, 2008 Effective: February 8, 2008

TARIFF F.C.C. NO. 39
2nd Revised Page 25-316
Cancels 1st Revised Page 25-316

## ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-315.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-317 Cancels 1st Revised Page 25-317

## ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-315.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-318
Cancels 1st Revised Page 25-318

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-315.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-319 Cancels 1st Revised Page 25-319

## ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-315.

## ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-315.

(N)

(N)

(Nx)

(Nx)

(N)

(N)

## 25. Pricing Flexibility Contract Offerings

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

#### 25.28.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 28) 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. 28 provides Customers with discounts and incentives (as defined in Section 25.28.6) in accordance with the Terms and Conditions as set forth in Section 25.28.4.

To receive discounts under this Contract Offer, the Customer must meet Eligibility Criteria described in Section 25.28.3 and must comply with all Terms and Conditions of this Contract Offer. Contract Offer No. 28 requires eligible Customers to maintain a Baseline Minimum Annual Revenue Commitment (MARC) of \$141,600,000, as described in Section 25.28.3(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 25.28.7. If the Customer does not comply in all material respects with all Terms and Conditions of this Contract Offer No. 28, termination liability charges, in accordance with Section 25.28.10, will apply.

Contract Offer No. 28 will be available for subscription only from July 29, 2006 through August 29, 2006.

(x) Issued under Authority of Special Permission No. 06-028 of F.C.C.

(This page filed under Transmittal No. 918 )

Issued: July 28, 2006 Effective: July 29, 2006

### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

### 25.28.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 28 applies to billed recurring revenues for the qualified access services contained in SNET Tariff F.C.C. No. 39 (Qualified Access Services), listed in Table A, below:

Service	General Basic Description	Rates and Charges		
DS1 and DS3 Service	7.16.1	7.16.4	24.5.2.6	
(1)	(1)	(1)	(1)	(D
(1)	(1)	(1)	(1)	(D
(1)	(1)	(1)	(1)	(D
(1)	(1)	(1)	(1)	(D
(1)	(1)	(1)	(1)	(D)

- (B) When additional Qualified Access Services are added to the services available under SNET Tariff F.C.C. No. 39, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 28 for the purposes of calculating the credits and incentives included in this Contract Offer No. 28.
- (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. 28.
- (1) Material previously contained in this section has been deleted. OCN PTP, DSRS, GigaMAN and 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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 28 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

### 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

### 25.28.3 WAMS-VIP Offer Eligibility Criteria

The following eligibility criteria must be met to subscribe to Contract Offer No. 28:

(A) Concurrent Subscription

\$141,600,000;

The Customer must concurrently subscribe to Contract Offer No. 28 pursuant to the following tariffs:

(Nx)

(N)

- (1) NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 9;
- (2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 99;
- (3) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 94; and
- (4) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 121.

(Nx)

Breach, cancellation or termination of any of these Contract Offers shall constitute a breach, cancellation or termination of all of these Contract Offers.

Offers.

(B) The Customer must have billed recurring revenues for Qualified Access Services to establish a Baseline

Minimum Annual Revenue Commitment (Baseline MARC) of

- (C) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in SNET Tariff F.C.C. No. 39, Section 1.3 (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.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

### 25.28.4 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. 28;
- (B) The Customer must maintain a Baseline Minimum Annual Revenue Commitment (MARC) of \$141,600,000 each Term Year of this Contract Offer No. 28;
- (D) The Customer's Baseline MARC and IDC will include all billed recurring revenue for Qualified Access Services identified in Section 25.28.2, 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 25.28.3(A);
- (E) Incentives and discounts earned by the Customer under this Contract Offer No. 28 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 SNET Tariff F.C.C. No. 39, Section 24;
- (F) Contract Offer No. 28 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;
- (G) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 28, 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 25.28.7;

(N)

(N)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.4 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 SNET Tariff F.C.C. No. 39 (Sections 2-General Regulations, 5-Ordering Regulations, and 8-Testing, Maintenance and Additional Labor 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. 28;
- (I) This Contract Offer No. 28 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 25.28.6; and
- (K) To subscribe to Contract Offer No. 28, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

#### 25.28.5 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. 28 shall be discontinued.

This offer is not renewable.

(N)

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.6 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. 28 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 25.28.3(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 25.28.7(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)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.6 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 25.28.7(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
    25.28.6(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 SNET Tariff F.C.C. No. 39, Section 2.
- $\begin{array}{c} \text{(B)} \quad \underline{\text{Incentive Discount Commitment Credit for Qualified}} \\ \quad \underline{\text{Access Services}} \end{array}$

IDCC shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 25.28.3(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 25.28.3(A), and an award of IDCC under such other contract offers shall satisfy any IDCC obligations under this Contract Offer No. 28.

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 25.28.3(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 25.28.3(A), according to Table B, following.

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
- 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)
  - 25.28.6 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 25.28.6(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 25.28.6(B)(1)(b) and 25.28.6(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 25.28.6(B)(1)(b) and 25.28.6(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 25.28.7.
  - (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 25.28.6(A).

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
- 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)
  - 25.28.6 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 25.28.3(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 25.28.3(A), and an award of IDPC under such other contract offers shall satisfy any IDPC obligations under this Contract Offer No. 28.

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 25.28.3(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 25.28.3(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)

(N)

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - - 25.28.6 WAMS-VIP Offer Incentive Discounts (Cont'd)
      - (C) Incentive Discount Plus Credit for Qualified Access Service (Cont'd)

Table C:

	able C:				
IDC	Band	Non - IDCC Rev Non - IDCC Rev		IDPC	
Level	Daila	Min	Max	151 0	
	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	
1	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	
	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	
2	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	
	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	
3	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	
	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	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	
	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	
5	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	

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- 25. Pricing Flexibility Contract Offerings (Cont'd)
- 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)
  - 25.28.6 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 25.28.6(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 25.28.7.
    - (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 25.28.6(B) and (C).

(1) Eliqibility 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 SNET Tariff F.C.C. No. 39, Section 2.10, 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
- (c) The disconnect and new service must be within the Operating Territory.

(N)

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
- 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)
  - 25.28.6 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 25.28.3(C), as follows:

- (a) If the Customer qualifies for the Portability Incentive as set forth in Section 25.28.6(A) and 25.28.6(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 Sections 25.28.6(A) and 25.28.6(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 25.28.6(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)

(N)

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

- (D) DS3 Portability Incentive (Cont'd)
  - (2) Quarterly Review of Add and Disconnect Access Service Orders (Cont'd)

#### 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 Otr 2)

Quarter Termination Liability = 0 DS3's

(Cumulative DS3 "adds" are greater than Cumulative DS3 "disconnects")

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#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.7 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 25.28.6(B) and Table C in Section 25.28.6(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

the IDC and the Customer's billed recurring revenues for Qualified Access Services that the Telephone Company was required to divest.

#### Example:

TDC = \$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)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.7 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 (\$12,700,000 - (\$12,700,000 x 7.07%)

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(N)

(N)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.7 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 25.28.6(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 25.28.6(B).

(N)

(N)

- 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)
  - 25.28.7 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 25.28.10(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 25.28.7(B)(2)(b)(ii), this Contract Offer shall be terminated and termination liability charges will apply, as described in Section 25.28.10(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)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.7 WAMS-VIP Annual True-Up (Cont'd)

- (B) Annual True-Up Calculations (Cont'd)
  - (3) <u>IDPC Annual True-Up:</u>
    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 25.28.6.(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 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)

(N)

25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

# 25.28.8 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 28 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5 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)

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

- (A) Assignment/Successors (Cont'd)
  - (2) The Terms and Conditions of this Contract Offer No. 28 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, provided the following conditions are met:

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.8 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 25.28.6.

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)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.8 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 the Contract Offer No. 28 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 25.28.10(A).

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.9 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. 28 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 99.9775% 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 25.28.3(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)

25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.9 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	99.9775%
2	99.9835%
3	99.9900%
4	99.9900%
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.

<u>Example:</u> Special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell sites.

(N)

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

#### 25.28.10 Termination

The Customer's subscription to this Contract Offer No. 28 shall terminate if the Customer elects to terminate this Contract Offer No. 28, or if the Customer materially breaches this Contract Offer, or any tariff governing any Qualifying Service provided pursuant to this Contract Offer No. 28, 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:

\$25,400,000 X 75% = \$19,050,000 termination liability charges.

(N)

25.28 Contract Offer No. 28 - Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

# 25.28.10 <u>Termination</u> (Cont'd)

(B) Excessive Service Outage Termination

An Excessive Service Outage occurs when the Customer's, Dedicated SONET Ring Service (DSRS), or any self-healing ring-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 SNET Tariff F.C.C. No. 39, Section 2.

- (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
     DSRS;
  - (b) If, during any consecutive twelve (12) month period, there are more than three (3) Excessive Service Outages on an individual DSRS; and/or
  - (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 DSRS.

(N)

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
- 25.28 Contract Offer No. 28 Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)
  - 25.28.10 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 25.28.10(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 DSRS 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.

(N)

#### 25. Pricing Flexibility Contract Offerings

# 25.29 Contract Offer No. 29 - (1) Offer

#### (D)

#### 25.29.1 General Description

(1) (Contract Offer No. 29) permits Customers located in Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.29.5 for new (1) Services. Customers must meet the Eligibility Criteria, as set forth in Section 25.29.3, and the Terms and Conditions, as set forth in Section 25.29.4, to receive the discounts under this Contract Offer.

(D) (D)

This Contract Offer is available August 5, 2006 through September 5, 2006 and this offer is not renewable

#### 25.29.2 Subject Services

- (A) Contract Offer No. 29 applies to pricingflexibility-qualified access services contained in the following tariff section (referred to as "Subject Services"):
  - (1) Service The Southern New England Telephone (D) Company (SNET) Tariff F.C.C. No. 39, Section (D)
  - (2) DS3 High Capacity Access Service The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Section 7.
- (B) All terms and conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein.

#### 25.29.3 Eligibility Criteria

The following eligibility criteria must be met in order to receive this Contract Offer No. 29 discount:

- (A) Subject Services must be located in the Hartford, CT MSA;
- (B) Subject Services must be pricing flexibility qualified access services listed in Section 25.29.2(A); 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="https://svartifoss2.fcc.gov/prod/ccb/etfs/">https://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.29 Contract Offer No. 29 - (1) Offer (Cont'd)

#### (D)

(D)

(D)

# 25.29.4 Terms and Conditions

#### (A) Term Period

The contract term ("Term Period") shall be five (5) years, commencing on the date billing begins. Billing shall commence no later than thirty (30) days after the Telephone Company's installation of the OC-48 Dedicated Ring Service. This offer is not renewable.

- (1) At the expiration of the Term Period, the Customer may choose from the payment options in Section <sup>(1)</sup> for <sup>(1)</sup> Service.
- (2) If, at the expiration of the Term Period, the Customer does not choose to disconnect or select a payment option, the Customer will automatically be billed the monthly extension rates found in Section (1) for (1).
- (B) Rate stability during the Term Period of this Contract Offer applies only to the rates listed in Section 25.29.4. Purchase of Subject Services pursuant to this Contract Offer are subject to the specific terms and conditions of Section 25.29.3, in addition to certain rates, terms and conditions in other sections of Tariff F.C.C. No. 39, including without limitation, Sections: 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 8-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; however, such tariff modifications will not change the rates, terms or conditions of Contract Offer No. 29.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-348.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.29 Contract Offer No. 29 - (1) Offer (Cont'd)

#### (D)

#### 25.29.4 Terms and Conditions (Cont'd)

- (C) This Contract Offer No. 29 is only available for subscription August 5, 2006 through September 5, 2006.
- (D) In order to subscribe to Contract Offer No. 29, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.
- (E) The Customer must purchase one (1) new <sup>(1)</sup> Service pursuant to this Contract Offer. Within thirty (30) days of subscription, the Customer must submit an Access Service Request (ASR) for the purchase of the new <sup>(1)</sup> Service.
- (D)

(D)

(D)

- (F) The Customer may purchase additional subtending DS3 services on the new  $^{(1)}$  Service, as described in Section 25.29.5 (B)(2).
- (G) If the Customer should discontinue Subject Services under Contract Offer No. 29 during the Term Period, termination liability charges will apply in accordance with Section 25.29.8.
- (H) If, after the Customer has submitted the LOS and prior to commencement of the Term Period, the Customer cancels the LOS, 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.
- (I) The Customer must subscribe to Subject Services available under this Contract Offer No. 29 in accordance with the regulations set forth in Section 5 - Ordering Options for Switched and Special Access Service.
- (J) If the Customer requests modifications to the Contract Offer No. 29 network design originally constructed for the Customer under Contract Offer No. 29, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 8. Modifications of services include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and Customer premises rearrangements.
- (K) Except as provided for in Section 25.29.4(L), the Customer cannot include Subject Services in any other promotional, contract offering, or discount plan in conjunction with this Contract Offer.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-348.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.29 Contract Offer No. 29 - (1) Offer (Cont'd)

#### 25.29.4 Terms and Conditions (Cont'd)

- (L) Provided that the Customer meets the Eligibility Criteria in Section 25.29.2 and the Terms and Conditions in Section 25.29.3, the Customer will be allowed to terminate this Contract Offer without incurring termination liabilities as set forth in Section 25.29.7, herein. To exercise this option, the Customer must subsequently obtain the same Subject Services available under this Contract Offer pursuant to a new effective contract tariff offered by the Telephone Company, and meet the following criteria for subscription to the new contract offer:
  - (1) The Customer must submit an LOS for purposes of subscribing to the new contract offer;
  - (2) Subject Services offered under the new contract offer must have a capacity equal to or greater than the capacity of the Subject Service provided pursuant to this Contract Offer;
  - (3) The Monthly Recurring Charges (MRCs) for subject services offered under the new contract offer are equal to, or greater than, those of this Contract Offer; and
  - (4) The Term Period of the new contract offer is at least three (3) years.

#### 25.29.5 Rates and Charges

(1) Service Rates and Charges:

(D)

The Customer shall pay the following Non-Recurring Charges (NRCs) and MRCs for the new  $^{(1)}$  Service:

(D)

(D)

(A) NRCs:

Administrative Charge-<sup>(1)</sup> (D)
Design and Central Office
Connection Charge-<sup>(1)</sup> (D)

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-348.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.29 Contract Offer No. 29 (1) Offer (Cont'd)

(D)

#### 25.29.5 Rates and Charges (Cont'd)

(1) Service Rates and Charges: (Cont'd)

(D)

(D)

(D)

(D)

#### (B) MRCs:

#### (1) (1) Service

) (D)

The  $^{(1)}$  Service MRC includes the rate elements in Table A below, aggregated under the 1ZZPZ USOC, for the OC-48 Dedicated Ring purchased:

#### Table A

(1)	(1)	(1)	(1)	(D)
(1)	(1)	(1)	(1)	(D)
(1)	(1)	(1)	(1)	(D)
(1)	(1)	(1)	(1)	(D)
(1)	(1)	(1)	(1)	(D)

(2) (1) Additional Services, Rates and Charges:

The Customer may subscribe to the following additional <sup>(1)</sup> services and subtending DS3 Services at the MRC rates in Table B below:

#### Table B

(1)	USOC	MRC
(1)	(1)	(1)
(1)	(1)	(1)
<sup>(1)</sup> - DS3 at <sup>(1)</sup>	(1)	(1)
Subtending DS3s on (1)	USOC	MRC
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)
(1)	(1)	(1)

If a node or subtending DS3 is added after the initial installation of the <sup>(1)</sup>, the new <sup>(1)</sup> will be co-terminus with the initial Term Period. However, if a node or subtending DS3 is added during the last twelve (12) months or less of the Term Period, the Customer will be billed the MRC listed above for a minimum period of twelve (12) months, in a lump sum at the end of the Term Period.

Additional rate elements not listed in Tables A or B will be charged prevailing tariff rates.

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<sup>(1)</sup> See footnote (1) on page 25-348.

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offering (Cont'd)

# 25.29 Contract Offer No. 29 - (1) Offer (Cont'd)

# 25.29.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 29 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 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 25-348.

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(D)

(D)

(D)

#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offering (Cont'd)

# 25.29 Contract Offer No. 29 - (1) Offer (Cont'd)

# 25.29.7 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, 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.

## 25.29.8 Termination Liability

(A) The termination liability language contained below applies in lieu of termination liability language contained in Section (1) and Section 7. If the Customer terminates Contract Offer No. 29 before the completion of the Term Period for any reason, except for service interruptions noted herein, 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 25.29.2, or the Terms and Conditions in Section 25.29.3, the Customer shall be deemed to have terminated this Contract Offer and termination liability charges will apply. These charges shall become due as of the effective date of the termination, and are payable as described in Section (1) and Section 7.

Customer's termination liability charges for termination of service shall be equal to:

50% of all applicable MRCs for Subject Services for the balance of the Customer's five (5) year Term Period. All remaining in-service Subject Services shall be converted to the prevailing 60 month term rates for the  $^{(1)}$  Service, as described in Section  $^{(1)}$ 

 $^{(1)}$  See footnote (1) on page 25-348.

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#### 25. Pricing Flexibility Contract Offering (Cont'd)

#### 25.29 Contract Offer No. 29 - 1 Offer (Cont'd)

# 25.29.8 Termination Liability (Cont'd)

#### (A) (Cont'd)

The termination liability charge will be calculated as follows:

(MRCs) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50%)

Example: Customer with a \$35,000 MRC terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan.

The termination liability would be calculated as: (\$35,000 X 24) X 50% = \$420,000 termination liability charge.

#### (B) Excessive Service Interruptions

day period;

A service interruption associated with the  $^{(1)}$  Service becomes a material failure to perform, except as set forth in Section 2, if the Customer experiences:

orth in Section 2, if the Customer experiences:

a) More than two (2) service interruptions of more

than five (5) minutes each during any sixty (60)

- (b) More than twenty-four (24) aggregate hours of service interruptions during any one hundred eighty (180) consecutive day period; or
- (c) More than five (5) service interruptions of more than two (2) minutes each within any three hundred sixty-five (365) day period.

In the event of a service interruption, as described above, the Customer shall have the right to terminate services under this Contract Offer without incurring termination liability charges. The Customer must submit written notification of its intention to terminate this Contract Offer to the Telephone Company identifying the service interruption condition within thirty (30) days of the date at which the Telephone Company provides the Customer a final root cause analysis that explains the cause of the last service interruption, and order disconnection of the affected service within one hundred eighty (180) days of the written notification. The notification must include an inventory of services that the Customer wishes to terminate.

Pursuant to this Contract Offer, failure to provide the required notice shall constitute a waiver of the Customer's right to terminate Contract Offer No. 29.

(1) See footnote (1) on page 25-348.

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#### 25. Pricing Flexibility Contract Offerings

#### (N)

(N)

(Nx)

(Nx)

(N)

# 25.30 Contract Offer No. 30 - Special Access Service Offer

#### 25.30.1 General Description

Special Access Service Offer (Contract Offer No. 30) 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. Contract Offer No. 30 is available to any Customer with at least \$14 million in cumulative annual recurring revenue for Contributory Services, as defined in Sections 25.30.2(C) and 25.30.2(D). The Customer must meet the Eligibility Criteria set forth in Section 25.30.2, and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 30 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 25.30.4(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 25.30.2(C) and Contributory Non-Subject Services, as described in Section 25.30.2(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 25.30.4(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 25.30.11, shall apply.

Contract Offer No. 30 will only be available December 9, 2006 through January 9, 2007.

(x) Issued under Authority of Special Permission No. 06-041 of F.C.C.

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Issued: December 8, 2006 Effective: December 9, 2006

#### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

## 25.30.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 30, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

Contract Offer No. 30 is available only for Contributory Services located in the following Metropolitan Statistical Areas (MSAs):

(1) Portability and discounts provided in Sections 25.30.6 and 25.30.8 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:

Hartford, CT; Bridgeport, CT; New London - Norwich, CT.

(2) Portability and discounts provided in Sections 25.30.5 and 25.30.8 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:

New Haven - West Haven - Waterburg - Meriden, CT.

(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 increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 25.30.4.

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(N)

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(N)

(Nx)

(N)

 $(N_1)$ 

(Nx)

(Nx)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

#### 25.30.2 Eligibility Criteria (Cont'd)

- (A) (Cont'd)
  - (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.

# (B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 30, pursuant to the following tariffs:

- (1) Ameritech Tariff F.C.C No. 2, Section 22, Contract Offer No. 136;
- (2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 109; and
- (3) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 107.

(x) Issued under Authority of Special Permission No. 06-041 of F.C.C.

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

#### 25.30.2 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. 30 applies to pricingflexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections as listed in Table 1, below:

> (D) (D) (D) (D)

Table 1

Service	General Basic Description	Rates & Charges	Rates & Charges
		Phase I	Phase II
Special Access			
High Capacity Service	7.16.1	7.16.4	24.5.2.6
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
(1)	(1)	(1)	(1)
Voice Grade Service	7.9.1	7.9.4	24.5.2.1
Switched Access Dedicated Transport Services	6	6.3	24.5

<sup>(1)</sup> Material previously contained in this section has been deleted. OCN PTP, DSRS, GigaMAN, OPT-E-MAN and 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 30 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="https://svartifoss2.fcc.gov/prod/ccb/etfs/">https://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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(D)

(D)

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

#### 25.30.2 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), (1), STN, FGTS, BCS, (1), (1), (1) Services

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 25.30.4

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-359.

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#### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.3 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. 30 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 SNET Tariff F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 13-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. 30 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 SNET Tariff F.C.C. No. 39, Section 2.13 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 SNET Tariff F.C.C. No. 39, Section 5 - Ordering Regulations.
- (G) The Customer may not subscribe to any future Contract Offerings in SNET Tariff F.C.C. No. 39, Section 25 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.

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(1)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.3 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 SNET Tariff F.C.C. No. 39, Section 2 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 25.30.11 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 SNET Tariff F.C.C. No. 39, Section 2.
- (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.

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(N)

Issued: December 8, 2006 Effective: December 9, 2006

### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.3 Terms and Conditions (Cont'd)

(K) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 20 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.

#### 25.30.4 Minimum Annual Revenue Commitment (MARC)

Contract Offer No. 30 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 25.30.4(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 25.30.2(C)(1), herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.30.2(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.)

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### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.4 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 25.30.4(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 fiveyear 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 25.30.4. 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.

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#### Contract Offer No. 30 - Special Access Service Offer (Cont'd)

## 25.30.4 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 25.30.4(E). This option cannot be combined with the MARC adjustment option as described in Section 25.30.4(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 25.30.9, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be rerated, provided the Eligibility Criteria in Section 25.30.2 and the Terms and Conditions in Section 25.30.3 have been met prior to the MARC adjustment, and annual Billing Credits will no longer apply as detailed in Section 25.30.5.

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(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

## 25.30.4 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. 30, and termination charges will apply as set forth in Section 25.30.11.

#### 25.30.5 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.

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# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

### 25.30.5 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 \times 3\% = $295,620$ 

# 25.30.6 Incentives

# (A) Purchase of New Contributory Subject Services

(1) During the Term Period, the Customer may include eligible billed revenue, as described in Section 25.30.4(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 OC3/OC3c 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 OC3/OC3C 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.

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(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.6 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 25.30.4, and/or has earned any incentive credits as described in Section 25.30.5.
  - (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 25.30.4, after such calculation as described above, the Customer will be subject to the true-up provision as stated in Section 25.30.4(E).
  - (4) For purposes of this Contract Offer, any new SONET OC3/OC3c 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 SONET OC3/OC3c service (e.g., upgrade of a DS1 or DS3 to a SONET OC3 service) under the provisions set forth in other sections of this tariff.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

#### 25.30.6 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 25.30.4. In subsequent years, the converted UNE services would count as \$1,000,000 (\$1M) towards MARC calculations.

#### 25.30.7 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 25.30.7(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 25.30.4(A), and/or fails to pay the Annual True-Up as defined in Section 25.30.4(E), termination liability charges will apply as set forth in Section 25.30.11.

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#### ACCESS SERVICE

### 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.7 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 SNET Tariff F.C.C. No. 39, Section 5.4 for Contributory Subject Services pursuant to this Contract Offer.

# 25.30.8 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 25.30.2(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.

(1) See footnote (1) on page 25-359.

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#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.8 Portability (Cont'd)

(E) (1), (1) and (1) Services must have been in service for a (D) minimum of three (3) years from the original installation date.

If, and to the extent that <sup>(1)</sup> becomes eligible for pricing flexibility, <sup>(1)</sup> may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such <sup>(1)</sup> service shall be eligible for portability, provided that, for each <sup>(1)</sup> circuit to be ported:

- (1) facilities necessary to provide (1), as specified in SNET Tariff F.C.C. No. 39, Section (1), exist at the end user location in which the circuit is being moved; and
- (2) the circuit has been in service for a minimum of one (1) year from the original installation date.

# 25.30.9 Mergers and Acquisitions Involving the Customer

- (A) The Terms and Conditions of Contract Offer No. 30 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 25.30.4.
  - (1) The Customer must be meeting MARC commitments, and all Eligibility Criteria and Terms and Conditions outlined in Sections 25.30.2 and 25.30.3 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 25.30.4, nor will such revenues be eligible for any discounts provided under this Contract Offer.

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 $<sup>^{(1)}</sup>$  See footnote (1) on page 25-359.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.9 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 25.30.4, 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 25.30.5 (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 25.30.5(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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

## 25.30.9 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.

### 25.30.10 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 SNET Tariff F.C.C. No. 39, Section 25, 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 25.30.5 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.

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### 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

## 25.30.11 <u>Termination Liability</u>

### (A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39, Section 7. If the Customer terminates Contract Offer No. 30 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 25.30.2, or fails to meet any of the Terms and Conditions in Section 25.30.3, 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 will have sixty (60) days to comply. If the Customer will have sixty (60) days to comply. If the Customer will be deemed to have terminated its participation in Contract Offer No. 30, and termination liability charges will apply, as stated below, and will be payable pursuant to SNET Tariff F.C.C. No. 39, Section 2.

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. 30 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.

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# 25.30 Contract Offer No. 30 - Special Access Service Offer (Cont'd)

# 25.30.11 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 25.30.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 30, 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 25.30.7 and 25.30.11.

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# 25. Pricing Flexibility Contract Offerings

# 25.31 Contract Offer No. 31- Price Flex MARC and Discount Freeze Option

# 25.31.1General Description

Contract Offer No. 31 - The Price Flex MARC and Discount Freeze Option permits the modification of certain contract offers set forth in The Southern New England Telephone Company (SNET) Tariff No. 39, Section 25, 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.

(This page filed under Transmittal No. 938 )

Issued: March 30, 2007 Effective: March 31, 2007

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

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# 25.31.2 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 SNET Tariff No. 39, Section 25, and such contract offer(s) must include a MARC that varies over the Term Period(s) of the contract offer(s); and
- (B) Within 45 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.

# 25.31.3 Terms and Conditions

- (A) Within thirty (30 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)

# 25.31.3 Terms and Conditions (Cont'd)

- (C) The Telephone Company shall make such billing adjustments as may be necessary to implement Section 25.31.3(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)

(N)

TARIFF F.C.C. NO. 39
2nd Revised Page 25-379
Cancels 1st Revised Page 25-379

#### ACCESS SERVICE

25. <sup>(1)</sup> (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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 32 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

(This page filed under Transmittal No. 965)

Issued: January 24, 2008 Effective: February 8, 2008

TARIFF F.C.C. NO. 39 2nd Revised Page 25-380 Cancels 1st Revised Page 25-380

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-381 Cancels 1st Revised Page 25-381

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-382 Cancels 1st Revised Page 25-382

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-383 Cancels 1st Revised Page 25-383

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-384 Cancels 1st Revised Page 25-384

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-385 Cancels 1st Revised Page 25-385

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-386 Cancels 1st Revised Page 25-386

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-379.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-387
Cancels 1st Revised Page 25-387

ACCESS SERVICE

25. <sup>(1)</sup> (D)

(This page filed under Transmittal No. 965 )

Issued: January 24, 2008 Effective: February 8, 2008

services formerly 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-388 Cancels 1st Revised Page 25-388

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-389 Cancels 1st Revised Page 25-389

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-390 Cancels 1st Revised Page 25-390

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-391 Cancels 1st Revised Page 25-391

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-392 Cancels 1st Revised Page 25-392

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-393 Cancels 1st Revised Page 25-393

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-394 Cancels 1st Revised Page 25-394

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\mbox{\scriptsize (1)}}$  See footnote (1) on page 25-387.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-395
Cancels 1st Revised Page 25-395

#### ACCESS SERVICE

25. <sup>(1)</sup> (D)

OCN PTP services formerly 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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

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TARIFF F.C.C. NO. 39 2nd Revised Page 25-396 Cancels 1st Revised Page 25-396

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-395.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-397 Cancels 1st Revised Page 25-397

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-395.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-398
Cancels 1st Revised Page 25-398

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-395.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-399 Cancels 1st Revised Page 25-399

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-395.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-400
Cancels 1st Revised Page 25-400

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-395.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-401 Cancels 1st Revised Page 25-401

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-395.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-402
Cancels 1st Revised Page 25-402

ACCESS SERVICE

25. <sup>(1)</sup> (D)

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<sup>(1)</sup> 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 detariffed by the Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. 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 contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="http://svartifoss2.fcc.gov/prod/ccb/etfs/">http://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-403 Cancels 1st Revised Page 25-403

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-402.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-404 Cancels 1st Revised Page 25-404

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-402.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-405 Cancels 1st Revised Page 25-405

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-402.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-406 Cancels 1st Revised Page 25-406

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-402.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-407 Cancels 1st Revised Page 25-407

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-402.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-408
Cancels 1st Revised Page 25-408

ACCESS SERVICE

25. <sup>(1)</sup> (D)

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with de-tariffed services are available at <a href="www.att.com/guidebook">www.att.com/guidebook</a>. Contract Offer No. 36 shall remain in effect according to its existing terms and conditions to the duration of the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with conditions for the duration of the existing term. Customers may refer to the base documents containing the rates, terms and conditions associated with existing contract (i.e., those in place prior to de-tariffing) on the Commissions' website <a href="https://svartifoss2.fcc.gov/prod/ccb/etfs/">https://svartifoss2.fcc.gov/prod/ccb/etfs/</a>, effective December 31, 2007.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-409 Cancels 1st Revised Page 25-409

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

TARIFF F.C.C. NO. 39
2nd Revised Page 25-410
Cancels 1st Revised Page 25-410

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-411 Cancels 1st Revised Page 25-411

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-412 Cancels 1st Revised Page 25-412

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-413 Cancels 1st Revised Page 25-413

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-414 Cancels 1st Revised Page 25-414

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

TARIFF F.C.C. NO. 39 2nd Revised Page 25-415 Cancels 1st Revised Page 25-415

ACCESS SERVICE

25. <sup>(1)</sup> (D)

 $^{\left( 1\right) }$  See footnote (1) on page 25-408.

## 25. Pricing Flexibility Contract Offerings

## (N)

(N)

(Nx)

(Nx)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer

## 25.37.1 General Description

DS1 and DS3 Service Offer (Contract Offer No. 37) is an access discount plan for which concurrent subscription is required to the following Access Tariffs: Ameritech 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.

(N)

Contract Offer No. 37 requires eligible Customers to comply with a Minimum Annual Revenue Commitment (MARC), as described in Section 25.37.4(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 25.37.3(A), and Contributory Non-Subject Services, as described in Section 25.37.3(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. 37 is available for subscription from May 9, 2008 through June 9, 2008.

## 25.37.2 Eligibility Criteria

The Customer must meet the following Eligibility Criteria:

(A) Subject Service must be a pricing flexibility qualified access service, as described in SNET Tariff F.C.C. No. 39, Section 24.

(N)

(x) Filed under Authority of Special Permission No. 08-009 of F.C.C.

(This page filed under Transmittal No. 969)

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#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.2 Eligibility Criteria (Cont'd)

154;

(B) Contributory Subject Services must be located in the following MSAs:

Bridgeport, CT; Hartford, CT; New Haven, CT; and New London, CT.

- (C) The Customer must concurrently subscribe to the following Contract Offers:
  - Ameritech Tariff F.C.C. No. 2, Contract Offer No. (Nx)

(N)

(Nx)

- 180;SWBT Tariff F.C.C. No. 73, Contract Offer No.
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 141;
- SNET Tariff F.C.C. No. 39, Contract Offer No. 37;
- BellSouth Tariff F.C.C. No. 1, Contract Offer No. 54.

(x) Filed under Authority of Special Permission No. 08-009 of F.C.C.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.3 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 Special	SNET Tariff F.C.C. No. 39,
Access Service DS1	Sections 7 and 24
High Capacity Special	SNET Tariff F.C.C. No. 39,
Access Service DS3	Sections 7 and 24

## (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)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.3 Contributory Services (Cont'd)

(B) Contributory Non-Subject Services (Cont'd)

Table 2:

Contributory Non-Subject Services <sup>1</sup>	
Optical Carrier Network (OCN)	AT&T Interstate Access
Point-to-Point (PTP) Service:	Guidebook, Part 10, Sections
OC3, OC12, and OC48	23 and 24
Gigabit Ethernet Metropolitan	AT&T Interstate Access
Area Network (GigaMAN)	Guidebook, Part 10, Sections
	7 and 24
10 Gigabit Ethernet Metropolitan	AT&T Interstate Access
Area Network (DecaMAN )	Guidebook, Part 10, Sections
	24 and 30
Optical Ethernet Metropolitan	AT&T Interstate Access
Area Network (OPT-E-Man )	Guidebook, Part 10, Section
	27

(C) All terms and conditions applicable to Subject Services are provided in their respective tariff sections, except as provided in this Contract Offer.

## 25.37.4 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. 37.

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<sup>&</sup>lt;sup>1</sup> 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/quidebook.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.37 <u>Contract Offer No. 37 - DS1 and DS3 Service Offer</u> (Cont'd)

## 25.37.4 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. 37, or any of the other concurrently subscribed to Contract Offers as described in Section 25.37.2, during the Term Period, termination liability charges will apply in accordance with SNET Tariff F.C.C. No. 39, 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 SNET Tariff F.C.C. No. 35.
- (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 25.37.4(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 25.37.1, to Contributory Subject Services subject to the rates, terms and conditions of this Contract Offer and the concurrently subscribed Contract Offers.

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.4 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 SNET Tariff F.C.C. No. 39, Sections 7 and 24.
- (10) Commingling shall be defined as provided in Section 2.13. 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, except as expressly permitted in Section 25.37.2(C).

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.4 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 the Contributory Services described in Section 25.37.3 and purchased in the MSAs listed in Section 25.37.2(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)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

- 25.37 Contract Offer No. 37 DS1 and DS3 Service Offer (Cont'd)
  - 25.37.4 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 25.37.2(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 SNET Tariff F.C.C. No. 39, Sections 7 or 24.

(N)

(N)

(N)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.4 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 25.37.4(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 25.37.2(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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.5 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 24 of SNET Tariff F.C.C. No. 39, 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			
		Credit on	
USOC	Zone	MRCs	
TZ4AX	1	5%	
TZ4AX	2	5%	
TZ4AX	3	5%	
Channel Mileage - Fixed			
		Credit on	
USOC	Zone	MRCs	
1YBAX	1	5%	
1YBAX	2	5%	
1YBAX	3	5%	
Channel Mileage - Per Mile			
		Credit on	
USOC	Zone	MRCs	
1YBAX	1	5%	
1YBAX	2	5%	
1YBAX	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 24.

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

(N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.5 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 24 of SNET Tariff F.C.C. No. 39, 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		
TZ4BX	1	5%		
TZ4BX	2	5%		
TZ4BX	3	5%		
Channel Mileage - Fixed				
USOC	Zone	Credit on MRCs		
1YBBX	1	5%		
1YBBX	2	5%		
1YBBX	3	5%		
Channel Mileage - Per Mile				
USOC	Zone	Credit on MRCs		
1YBBX	1	5%		
1YBBX	2	5%		
1YBBX	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 SNET Tariff F.C.C. No. 39, Sections 7 and 24.

## (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 25.37.4(B)(8), above. Other NRCs will apply as otherwise provided in SNET Tariff F.C.C. No. 39, Sections 7 and 24.

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(N)

(N)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, 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.
- (C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 25.37.6 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

## 25.37 Contract Offer No. 37 - DS1 and DS3 Service Offer (Cont'd)

## 25.37.7 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.

## 25. Pricing Flexibility Contract Offerings

## 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer

## 25.38.1 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 25.38.2 with a discount on the Monthly Recurring Charges (MRCs) listed in Section 25.38.4. Qualified services listed in Section 25.38.2 must meet the Eligibility Criteria described in Section 25.38.2.

Contract Offer No. 38 is available for subscription from July 31, 2008 to October 31, 2008. This Contract Offer (C) is not renewable.

#### 25.38.2 Eligibility Criteria

(A) This Contract Offer applies to the following pricing flexibility qualified access services as described in The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39 (Subject Services):

DS3 High Capacity Services - Section 7

(B) Contract Offer No. 38 is available for Subject Services located in any of the Pricing Flexibility MSAs listed below:

Bridgeport, CT; Hartford, CT; New Haven, CT; and New London, CT.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer (Cont'd)

## 25.38.2 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<sup>1</sup> provided by the Telephone Company.
- (F) This Contract Offer does not apply to DSRS¹ DS3 ports or DS3 services terminated to collocation. (N)

<sup>1</sup>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/quidebook.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer (Cont'd)

## 25.38.3 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 Optional Payment Plan (OPP) 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 24, unless the Customer:

- (1) Selects from the OPP options listed in Sections 7 and 24; 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.

(C)

(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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer (Cont'd)

## 25.38.3 Terms and Conditions (Cont'd)

- (B) General Terms and Conditions (Cont'd)
  - (4) If the Customer discontinues service under Contract Offer No. 38 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 25.38.7.
  - (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 2.13. 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 25.38.4, the Customer will pay the tariff rates as contained in Sections 7 and 24, as applicable.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer (Cont'd)

### 25.38.4 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 24.

DS3 Service Bundle	USOCs	1 Year Term	3 Year Term	5 Year Term
DS3 Channel Mileage Fixed	1YBBX			
DS3 Channel Mileage Per	1YBXX	\$1100	\$900	\$800
Mile (1-15 miles only)		\$1100	\$900	\$800
DS3 to DS1 Multiplexer	QM3XX			

Generally applicable Non-Recurring Charges (NRCs) shall apply.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer (Cont'd)

#### 25.38.5 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.38 Contract Offer No. 38 - DS3 Extension Bundle Service Offer (Cont'd)

### 25.38.6 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.

# 25.38.7 <u>Termination Liability</u>

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)

### 25. Pricing Flexibility Contract Offerings

#### (N)

(N)

# 25.39 Contract Offer No. 39 - Special Access Service Offer

### 25.39.1 General Description

This Contract Offer No. 39 permits Customers who meet the Eligibility Criteria in Section 25.39.3, and the Terms and Conditions in Section 25.39.4, to purchase Subject Services in Section 25.39.2 and receive credits listed in Section 25.39.7. Subject Services are available under Contract Offer No. 39 in the Pricing Flexibility Metropolitan Statistical Areas (MSAs) described in Section 25.39.3.

Contract Offer No. 39 requires that the Customer meet DS1 and DS3 Volume Commitments for each year of the Term Period, as described in 25.39.5. If the Customer does not meet the Volume Commitments, the Customer will be subject to Shortfall Charges, as set forth in Section 25.39.6, and/or Termination Liability Charges, as set forth in Section 25.39.10.

### 25.39.2 Subject Services

Contract Offer No. 39 applies to pricing-flexibility qualified access services contained in the following tariff sections:

- The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Sections 7 and 24, High Capacity Service (DS1); and
- SNET Tariff F.C.C. No. 39, Sections 7 and 24, High Capacity Service (DS3).

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.3 Eligibility Criteria

The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 39, and must continue to meet the Eligibility Criteria, as described below, throughout the Term Period of this Contract Offer:

Contract Offer No. 39 applies only to Subject Services located in the following Metropolitan Statistical Areas (MSAs): Hartford and New Haven CT.

(N)

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.4 Terms and Conditions

- (A) The term of this Contract Offer (Term Period) shall be five (5) years, commencing on the date the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer, and the Anniversary Date shall be based on that same date. Contract Offer No. 39 is not renewable.
- (B) Contract Offer No. 39 is available for subscription only from October 10, 2008 through November 10, 2008.
- (C) To subscribe to this Contract Offer, the Customer must submit a signed LOS to the Telephone Company.
- (D) All Subject Services must be ordered pursuant to a five (5) year Term Payment Plan (TPP), as provided in SNET F.C.C. No. 39, Section 7, and shall continue to be purchased under a five (5) year TPP throughout the Term Period. Subject Services will be governed by the rates, terms and conditions of the TPP during the Term Period, except as provided to the contrary in this Contract Offer. Upon the expiration of the Term Period or termination of this Contract Offer, all Subject Services will be governed by the rates and terms and conditions of the five (5) year TPP for the remainder of their term commitments.
- (E) Commingling shall be as defined in SNET Tariff F.C.C. No. 39, Section 2.13. Commingling of Subject Services provided under this Contract Offer is prohibited.
- (F) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5 - Ordering Options, Section 2 - General Regulations and Section 8 -Testing, Maintenance and Additional Labor Services. (N)

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.4 Terms and Conditions (Cont'd)

- (G) Subject Services may not be concurrently subscribed to any other contract offerings filed subsequent to the effective date of this Contract Offer, unless expressly permitted by the subsequent Contract Offer.
- (H) Meet Point circuits shall not be eligible for the discounts provided in this Contract Offer, but will be counted toward the Customer's DS1 and DS3 Volume Commitments.
- (I) The Customer may purchase a maximum of 500 DS1 Subject Services and 50 DS3 Subject Services where facilities exist under this Contract Offer.

#### 25.39.5 Volume Commitment

The Customer must meet the following Volume Commitments. The date by which the Customer must meet each Volume Commitment shall be known as the "Commitment Date."

- (A) The Customer must purchase a minimum of 250 DS1 Subject Services, at least 125 of which must be placed in service within the first twelve (12) months of the Term Period, and the remaining 125 DS1 Subject Services must be placed in service within the first eighteen (18) months of the Term Period. All of the DS1 Subject Services subject to this Contract Offer must remain in service throughout the Term Period.
- (B) The Customer must purchase a minimum of twelve (12) DS3 Subject Services, which must be placed in service within the first twelve (12) months of the Term Period. All of the DS3 Subject Services subject to this Contract Offer must remain in service throughout the Term Period.
- (C) All discounted Subject Services must sub-tend a Special Access service provided by the Telephone Company and directly connect to a mobile telephone switching office, which is generally a cellular mobile carrier's switching system that is used to terminate mobile stations for purposes of interconnection to each other and to trunks interfacing with the public switched network.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.6 Shortfall Charge

The Telephone Company shall be responsible for monitoring the Customer's compliance with the Volume Commitments. If, at any time after the Commitment Date, the Telephone Company determines that the Customer's purchases of Subject Services fall below the relevant Volume Commitment, the Telephone Company shall bill, and the Customer shall pay, a monthly Shortfall Charge (for each type of Subject Service) by which the Customer's purchases fall short of the applicable Volume Commitment. Shortfall Charges shall be applied beginning with the date upon which the Telephone Company determines that the Customer's purchases fall below the relevant Volume Commitment, and continuing until the date upon which Customer's purchases meet the relevant Volume Commitment. Shortfall Charges for partial months shall be pro-rated. Shortfall Charges shall be calculated according to the table below:

Service	Shortfall Charge
	per month per Subject Service
DS1	\$217
DS3	\$835

The Telephone Company will notify the Customer within sixty (60) business days after determining that the Customer has failed to meet a Volume Commitment.

If the Customer does not pay a Shortfall Charge within thirty (30) days after the charge is billed, the Customer shall be deemed to have terminated this Contract Offer, and termination liability charges will apply as set forth in Section 25.39.10.

Example: The Customer must purchase twelve (12) DS3 Subject Services within the first twelve (12) months of the Term Period, but actually purchases only ten (10) DS3 Subject Services within that period. The Customer must pay a Shortfall Charge, calculated as  $\$835 \times 2 = \$1670$ , for each month until the shortfall is cured.

(N)

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.7 Rates and Discounts

The Customer will be billed according to the thencurrent Monthly Recurring Charges (MRCs), listed in Sections 7 or 24 of SNET Tariff F.C.C. No. 39, as applicable to a 60-month TPP, for DS1 and DS3 Subject Services less the discount in Table B, below.

Table B:

DS1 Rate Elements	USOC	Discount
Standard Channel	TZ4AX	10%
Termination - per		
point of termination		
- Zones 1 - 3		
Channel Mileage -	1YBAX	15%
Fixed -		
Zones 1 - 3		
Channel Mileage -	1YBAX	15%
Variable - Zones 1 -		
3		
3		
DS3 Rate Elements	USOC	Discount
	USOC QM3XX	Discount 0%
DS3 Rate Elements		
DS3 Rate Elements Multiplexing per		
DS3 Rate Elements Multiplexing per arrangement Zones 1		
DS3 Rate Elements Multiplexing per arrangement Zones 1 - 3	QM3XX	0%
DS3 Rate Elements Multiplexing per arrangement Zones 1 - 3 Channel Mileage -	QM3XX	0%
DS3 Rate Elements Multiplexing per arrangement Zones 1 - 3 Channel Mileage - Fixed -	QM3XX	0%
DS3 Rate Elements  Multiplexing per arrangement Zones 1 - 3  Channel Mileage - Fixed - Zones 1 - 3	QM3XX 1YBBX	0% 15%

Generally applicable Non-Recurring Charges (NRCs) shall be waived.

(N)

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(N)

#### ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd)

25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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 25.39.8 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.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.39 Contract Offer No. 39 - Special Access Service Offer (Cont'd)

### 25.39.9 Mergers/Acquisitions

The Terms and Conditions 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 entity. 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.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.39 <u>Contract Offer No. 39 - Special Access Service Offer</u> (Cont'd)

### 25.39.10 Termination Liability

### (A) Termination Liability Charges

Termination liability charges, as described below, shall apply in addition to those applicable to Subject Services under the TPP, as provided in SNET Tariff F.C.C. No. 39, Section 7.

If the Customer terminates this Contract Offer before the completion of the Term Period for any reason (other than a material default by the Telephone Company), or if the Customer materially breaches any provision of this Contract Offer or any other applicable tariff, 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. Termination liability charges shall be equal to fifty (50) percent of the MRCs applicable to either the actual number of Subject Services purchased by the Customer as of the time of termination or breach, or the minimum quantities of Subject Services necessary to meet the Volume Commitments, whichever is greater, for the remainder of the Term Period.

Example: The Customer terminates the Contract Offer after forty-eight (48) months of the sixty (60) month Term Period. Twelve (12) months are remaining in the Term Period. At the time of termination, the Customer is falling short of the Volume Commitments. If the minimum monthly billing necessary to meet the Volume Commitments is \$166,667, the termination liability charge would be calculated as follows:  $\$166,667 \times 12$  months  $\times 50\% = \$1,000,002$ .

(N)

(This page filed under Transmittal No. FC-08-0054)

### 25. Pricing Flexibility Contract Offerings

### (N)

(N)

(Nx)

(Nx)

(N)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer

#### 25.40.1 General Description

Special Access Service Offer (Contract Offer No. 40) 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. Contract Offer No. 40 is available to any Customer with at least \$23 million in cumulative annual recurring revenue for Contributory Services, as defined in Sections 25.40.3(A) and 25.40.3(B), for purchases from the Telephone Company and the affiliated companies identified in Section 25.40.2(D). The Customer must meet the Eligibility Criteria set forth in Section 25.40.2, and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 40 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 25.40.5(A). The MARC shall include all Contributory Services purchased from the Telephone Company and from the affiliated telephone companies identified in Section 25.40.2(D) of this Contract Offer. Contributory Services include Subject Services, as described in Section 25.40.3(A), and Non-Subject Services, as described in Section 25.40.3(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. 40 will only be available December 6, 2008 through January 6, 2009.

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(This page filed under Transmittal No. 977)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.2 Eligibility Criteria

- (A) To be eligible to subscribe to this Contract Offer, the Customer may not purchase services pursuant to any 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;
- (2) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 157; and
- (3) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 145.

(Nx)

(x) Issued under Authority of Special Permission No. 08-024 of F.C.C.

<sup>1</sup>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.

(This page filed under Transmittal No. 977)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

#### 25.40.3 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 25.40.2(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 25.40.2(D) of this Contract Offer.

### (A) Subject Services

Contract Offer No. 40 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	Rates & Charges	
	Description	Phase I	Phase II	
Special Access DS1 & DS3 Services	7.16.1	7.16.4	24.5.2.6	
Special Access Voice Grade Service	7.9.1	7.9.4	24.5.2.1	
Switched Access Dedicated Transport Services	6.2.1			(:

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

# 25.40.3 Contributory Services (Cont'd)

(A) Subject Services (Cont'd)

Contract Offer No. 40 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:

Hartford, CT; Bridgeport, CT; New London - Norwich, CT.

(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:

New Haven - West Haven - Waterbury - Meriden, CT. (T)

(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 25.40.5.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.3 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 25.40.5.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.4 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. 40 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 SNET Tariff F.C.C. Tariff No. 39, 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. 40 is available for subscription only from December 6, 2008 through 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 SNET Tariff F.C.C. No. 39, Section 2.13 of Subject Services under this Contract Offer, is prohibited.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

#### 25.40.4 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 SNET Tariff F.C.C. No. 39, Section 2.8 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 25.40.10, 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 SNET Tariff F.C.C. No. 39, Section 2.8
  - (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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

- 25.40 Contract Offer No. 40 Special Access Service Offer (Cont'd)
  - 25.40.4 Terms and Conditions (Cont'd)
    - (B) Other Terms and Conditions (Cont'd)
      - (8) If the Customer previously subscribed to SNET Tariff F.C.C. No. 39, Section 33, Contract Offer No. 30, the Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to Contract Offer No. 30 as a result of the migration of Subject Services from Contract Offer No. 30 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. 30. Services purchased under other ACNAs or transferred from other ACNAs shall not be included in this Contract Offer.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.5 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 25.40.5(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 25.40.2(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 thencurrent 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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.5 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 25.40.5(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 25.40.5.

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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

#### 25.40.5 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. 40, and termination charges will apply as set forth in Section 25.40.10.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

#### 25.40.6 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 \times 7.5\% = $1,489,050$ 

#### 25.40.7 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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.7 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 25.40.7(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 25.40.5(A), and/or fails to pay the Annual True-Up as defined in Section 25.40.5(D), termination liability charges will apply as set forth in Section 25.40.10.
- (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 SNET Tariff F.C.C. No. 39, Section 5 for Subject Services pursuant to this Contract Offer.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.8 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 25.40.2(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.

### 25.40.9 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.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.10 Termination Liability

#### (A) Termination Liability Charges

Termination liability language, described below, applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39, Section 7. If the Customer terminates Contract Offer No. 40 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 25.40.2, or fails to meet any of the Terms and Conditions in Section 25.40.3, 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. 40, and termination liability charges will apply, as stated below, and will be payable pursuant to SNET Tariff F.C.C. No. 39, Section 2.8.

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. 40 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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.40 Contract Offer No. 40 - Special Access Service Offer (Cont'd)

### 25.40.10 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 25.40.10 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 40, 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 25.40.7 and 25.40.10.

(N)

### 25. Pricing Flexibility Contract Offerings

### (N)

(N)

(Nx)

(Nx)

(N)

## 25.41 Contract Offer No. 41 - Access Service Offer

### 25.41.1 General Description

The Access Service Offer (Contract Offer No. 41) is an access discount plan for which concurrent subscription is required to the following Access Tariffs: Nevada 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 "Oualified Companies."

Contract Offer No. 41 requires eligible Customers to maintain a Minimum Annual Revenue Commitment (MARC), as defined in Section 25.41.5, for each Term Year of the Term Period. Contract Offer No. 41 is available to any Customer who commits to a MARC of \$385 million, in the aggregate, under this Contract Offer No. 41 and the other Concurrently Subscribed Contract Offers. The MARC consists of recurring revenues from, in the aggregate, all MARC-eligible Services purchased from The Southern New England Telephone Company ("SNET" or "Telephone Company") which are eligible for inclusion in the MARC under this Contract Offer No. 41, and the MARC-eligible services as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers described in Section 25.41.3(D).

MARC-eligible Services provided by the Telephone Company shall include Subject Services, as described in Section 25.41.2(A), and Non-Subject Services, as described in Section 25.41.2(B). Non-Subject Services are not eligible for the discounts and other incentives provided under this Contract Offer No. 41.

Contract Offer No. 41 will be available for subscription only from December 11, 2008 through January 11, 2009. This offer is not renewable.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

### 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

### 25.41.2 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. 41, 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. 41.

Table A - Subject Services

Subject Services	
Interstate Special Access	VG, DS0, DS1, DS3, SNET SONET Network Services (SSNS)
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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

### 25.41.2 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. 41.

Table B - Non-Subject Services

Non-Subject Services	
Interstate Special Access	Serial Component Video Service (SCVS), OCN PTP, DSRS, MON, GigaMAN, DecaMAN®, WaveMANSM, Opt-E-MAN1
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 SNET Tariff F.C.C. No. 39 which were not available as of the effective date of this Contract Offer No. 41, any billed, recurring revenues for such additional services will be included in this Contract Offer No. 41 for the purpose of performing calculations to determine the achievement of the MARC pursuant to this Contract Offer No. 41.

All terms and conditions for the MARC-eligible Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 41.

(N)

<sup>1</sup>Serial Component Video Service (SCVS), 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.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

### 25.41.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 41:

- (A) Contract Offer No. 41 is available for qualified access services located in the Pricing Flexibility MSAs where the Telephone Company has been granted pricing flexibility, as listed in SNET Tariff F.C.C. No. 39, Section 24. During the Term Period of this Contract Offer No. 41, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 at the time of subscription, the Customer may, at its option, include Subject Services eligible for the discounts under this Contract Offer No. 41.
- (B) The MARC-eligible Services must be located within the "Operating Territory" of the Telephone Company, as described in SNET Tariff F.C.C. No. 39, Section 1.3 (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 25.41.2, and MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers described in Section 25.41.3(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;
- 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.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

#### 25.41.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 41:

#### (A) Subscription

To subscribe to Contract Offer No. 41, 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. 41 (Eligible ACNAs). Services ordered or purchased under other ACNAs may not be transferred or converted for inclusion under this Contract Offer No. 41, except as described in Section 25.41.4 (0), below.

### (B) Term Period

The term of this Contract Offer No. 41 (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. 41, by providing to the Telephone Company written notice of termination of this Contract Offer No. 41, in accordance with the Terms and Conditions of this Contract Offer No. 41, 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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

#### 25.41.4 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 25.41.2, and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers as described in Section 25.41.3(D).
- (D) The Customer agrees to a MARC of \$385 million during each Term Year of this Contract Offer No. 41, subject to Section 25.41.4(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 25.41.2 of this Contract Offer No. 41, and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, as described in Section 25.41.3(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 MARCeligible 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 25.41.6(F), below.
- (F) Credits earned by the Customer under this Contract Offer No. 41 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 25.41.6(A), below, and in the analogous section of the other Concurrently Subscribed Contract Offers.
- (G) Contract Offer No. 41 Credits are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's tariffs.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

### 25.41.4 Terms and Conditions (Cont'd)

- (H) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of SNET Tariff F.C.C. No. 39 (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. 41.
- (I) Purchase of Long Distance Voice Services:

During the Term Period of this Contract Offer No. 41 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<sup>2</sup> measured from the Effective Date of this Contract Offer No. 41 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 25.41.4(B), above, the Telephone Company shall terminate this Contract Offer No. 41 without charging termination liability pursuant to this Contract Offer No. 41.

(N)

<sup>2</sup>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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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

### 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

### 25.41.4 Terms and Conditions (Cont'd)

- (J) This Contract Offer No. 41 is available December 11, 2008 through January 11, 2009.
- (K) Commingling (as defined in SNET Tariff F.C.C. No. 39, Section 2.13) of Subject Services provided pursuant to this Contract Offer No. 41 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 25.41.4(A) (Eligible ACNAs), may be included in this Contract Offer No. 41, 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 25.41.2 of this Contract Offer No. 41.
  - (2) If services provided to the Customer under ACNAs other than Eligible ACNAs (Other ACNAs) are included in this Contract Offer No. 41, 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. 41 (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. 41 times twelve (12) for all Term Years.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.4 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. 41 under Sections 25.41.4(L)(1) and 25.41.4(L)(2) were, immediately prior to such inclusion or transfer, being purchased under an Optional Payment Plan (OPP), as provided in the SNET Tariff F.C.C. No. 39, such services may be converted to any applicable month-to-month rate, term pricing plan or other discount or credit plan in an SNET Tariff F.C.C. No. 39, 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 SNET Tariff F.C.C. No. 39, 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. 41.
  - (4) At the time any additional services are included in this Contract Offer No. 41 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 SNET Tariff F.C.C. No. 39, 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 25.41.4(L)(4), above.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.4 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. 41, 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. 41 (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. 41 times twelve (12) for all Term Years. This Section 25.41.4(L)(6) applies only to Subject Services that were previously transferred to or included in this Contract Offer No. 41 under Sections 25.41.4(L)(1) and 25.41.4(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 25.41.4(L)(1), 25.41.4(L)(2) and/or 25.41.4(L)(6) of this Contract Offer No. 41 more frequently than once every six (6) months.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.5 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 25.41.2, and (ii) MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, as described in Section 25.41.3(D). Except as otherwise provided in this Contract Offer No. 41, the Customer must comply with the \$385 million MARC during each Term Year of this Contract Offer No. 41.

## (B) MARC Achievement Calculations

Achievement of the MARC shall be determined according to the recurring revenue attributable to (i) MARCeligible Services (defined in Section 25.41.2), as billed by the Telephone Company, plus any applicable True-up Amounts, as provided in Section 25.41.6(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 25.41.4(A) and 25.41.4(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  $25.41.6\,(F)$ .

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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. 41 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. 41 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. 41 and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for the MARC-eligible Services under this Contract Offer No. 41 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. 41 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. 41, 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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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

## 25.41.6 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. 41 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. 41 and the MARC-eligible services, as defined and provided in, and purchased under, the other Concurrently Subscribed Contract Offers, meets or exceeds onetwelfth 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. 41 and the other Concurrently Subscribed Contract Offers, as described in Section 25.41.6(A).

## (C) Above MARC Credit

The Telephone Company shall post the portion of an Above MARC Credit so attributed to this Contract Offer No. 41 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. 41 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. 41 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. 41 and the other Concurrently Subscribed Contract Offers, as described in Section 25.41.6(A).

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

## 25.41.6 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. 41 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. 41 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. 41 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 25.41.6(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 Oualified Companies shall issue a debit(s) to the Customer which, in the aggregate, equals the amount of the difference.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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. 41 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. 41 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. 41 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

## 25.41.6 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 Yearto-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 25.41.6(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. 41 and the MARCeligible 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

## 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

### 25.41.6 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 Trueup 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. 41 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 guarter. Credits shall not be issued if the Customer is in material breach of this Contract Offer No. 41, 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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. 41 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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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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	1
Net Credits to be Issued	\$6,166,666	(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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 million, 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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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.6 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		
$((\$385M \div 4) \times 4)$	\$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	(

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer (Cont'd)</u>

## 25.41.7 Assignment/Transfer/Successors

Neither party shall assign or otherwise transfer this Contract Offer No. 41 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. 41 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. 41 to an affiliate, or subcontract to an affiliate or a third party, work to be performed under this Contract Offer No. 41. Any such assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 41, and any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 41, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 41 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 41 or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void.

# 25.41.8 Mergers/Acquisitions

All provisions of this Contract Offer No. 41 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. 41 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)

(This page filed under Transmittal No. 978)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

#### 25.41.9 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 25.41.4(B) (Initial Rates), either party may terminate this Contract Offer No. 41 and the other Concurrently Subscribed Contract Offers without incurring any termination liability charge that would otherwise be due under this Contract Offer No. 41, upon 60-day advance written notice to the other party. Such option to terminate shall be exercisable to this Contract Offer No. 41 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.41 <u>Contract Offer No. 41 - Access Service Offer</u> (Cont'd)

## 25.41.9 Termination (Cont'd)

## (A) Rate Reduction (Cont'd)

Within sixty (60) days after the Effective Date of this Contract Offer No. 41, 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:

- DS-1: Channel Terminations ("CT"), Channel Mileage ("CM") fixed and CM per mile;
- 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)	СТ	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	(1

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.41 Contract Offer No. 41 - Access Service Offer (Cont'd)

## 25.41.9 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 25.41.9(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 25.41.9(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
DS1	6600	\$150,000	\$122,000	Change
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)

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# 25. Pricing Flexibility Contract Offerings

25.42 Contract Offer No. 42 - DS3 IOF Transport Bundle Service Offer

## 25.42.1 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 25.42.2. Qualified services are listed in Section 25.42.2 and must meet the Eligibility Criteria described in Section 25.42.2. Contract Offer No. 42 is available for subscription from March 3, 2009 to May 31, 2009. This Contract Offer is not renewable.

## 25.42.2 Eligibility Criteria

- (A) This Contract Offer applies to DS3 High Capacity Services, as described in The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Section 7 (Subject Services).
- (B) Contract Offer No. 42 applies to Subject Services located in any of the Pricing Flexibility MSAs:
  - Bridgeport, CT; Hartford, CT; New Haven, CT; and New London, CT.
- (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.

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(N)

(N)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.42 Contract Offer No. 42 DS3 IOF Transport Bundle Service Offer (Cont'd)
    - 25.42.2 Eligibility Criteria (Cont'd)
      - (F) This Contract Offer does not apply to DSRS DS3 ports or DS3 services terminated to collocation.¹
    - 25.42.3 Terms and Conditions
      - (A) The Customer shall purchase each Subject
        Service under a Term Pricing Plan (TPP) (as
        provided in SNET Tariff F.C.C. No. 39, Sections
        7 and 24) 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 24, unless the
        Customer:
        - (1) Selects from the TPP options listed in Sections 7 and 24; 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.

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Issued: March 2, 2009 Effective: March 3, 2009

<sup>&</sup>lt;sup>1</sup> 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.

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

- 25.42 Contract Offer No. 42 DS3 IOF Transport Bundle Service Offer (Cont'd)
  - 25.42.3 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. 42 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 25.42.7.
      - (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 2.13. 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 25.42.4, the Customer will pay the tariff rates as contained in Sections 7 and 24, as applicable.

(N)

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(N)

(N)

#### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

25.42 Contract Offer No. 42 - DS3 IOF Transport Bundle Service Offer (Cont'd)

## 25.42.4 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 24.

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	1YBBX	\$650	\$450	\$350
Channel				
Mileage				
(Fixed and				
Per Mile)				
with 1 - 15				
IOF miles				
DS3 IOF	1YBBX	\$800	\$600	\$500
Channel				
Mileage				
(Fixed and				
Per Mile)				
with 16 - 25				
IOF miles				

# 25.42.5 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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).

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(N)

#### ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd)

25.42 Contract Offer No. 42 - DS3 IOF Transport Bundle Service Offer (Cont'd)

### 25.42.5 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)

(This page filed under Transmittal No. 982)

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(N)

### ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd)

25.42 Contract Offer No. 42 - DS3 IOF Transport Bundle Service Offer (Cont'd)

## 25.42.6 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)

Effective: March 3, 2009

(This page filed under Transmittal No. 982 )

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

25.42 Contract Offer No. 42 - DS3 IOF Transport Bundle Service Offer (Cont'd)

### 25.42.7 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 \times 12 \times 50\% = $3,600$  termination liability charge.

(N)

(This page filed under Transmittal No. 982)

(N)

(Nx)

(Nx)

(N)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings

# 25.43 Contract Offer No. 43 - Access Service Offer

## 25.43.1 General Description

The Special Access Service Offer (Contract Offer No. 43) 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; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 149; Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 185; 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 are identified herein as the "Qualified Companies."

Contract Offer No. 43 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 25.43.2 of this Contract Offer) and from MARC-eligible services provided under the other Concurrently Subscribed Contract Offers.

Contract Offer No. 43 will be available for subscription only from March 25, 2009 through April, 25 2009. This Contract Offer is not renewable.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

## 25.43.2 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		
	Voice Grade		
	DS0		
	DS1		
	DS3		
	Switched Access Transport (excluding such service provided by BellSouth Telecommunications, Inc.)		
Interstate Special	SONET Xpress		
Access	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		

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(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

# 25.43.2 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		
	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)		
Interstate Special Access	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.		

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

## 25.43.3 Eligibility Criteria

The Customer must satisfy the following Eligibility Criteria to qualify for this Contract Offer:

- (A) Contract Offer No. 43 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 SNET Tariff F.C.C. No. 39, Section 24. During the Term Period (as defined in Section 25.43.4(B)), if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 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 SNET Tariff F.C.C. No. 39, Section 1.3 (Operating Territory);
- (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;
  - PBTC Tariff F.C.C. No. 1, Contract Offer No. 149;
  - Ameritech Tariff F.C.C. No. 2, Contract Offer No. 185;
  - SWBT Tariff F.C.C. No. 73, Contract Offer No. 162; and
  - BellSouth Tariff F.C.C No. 1, Contract Offer No. 62.

## 25.43.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 43:

(A) Subscription

To subscribe to Contract Offer No. 43, 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.

(x) Issued under the authority of Special Permission No. 09-004 of the F.C.C. (This page filed under Transmittal No. 984 )

(N)

(Nx)

(Nx)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.43 Contract Offer No. 43 - Access Service Offer Cont'd)

# 25.43.4 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 25.43.9. 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 25.43.2 of this Contract Offer and MARC-eligible services as defined in the other Concurrently Subscribed Contract Offers listed in Section 25.43.3(D). The MARC shall apply during each Term Year of this Contract Offer.
- (D) Credits earned by the Customer under this Contract Offer No. 43 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 25.43.6(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 SNET Tariff F.C.C. Tariff No. 39 (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. 43.

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

## 25.43.4 Terms and Conditions (Cont'd)

- (F) This Contract Offer No. 43 is available March 25, 2009 through April 25, 2009.
- 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 the following: Managed Value Plan (MVP) Ameritech Tariff FCC 2 Section 19, SWBT Tariff FCC 73 Section 38, and PBTC Tariff FCC 1 Section 25; 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 other offering expressly (i) refers to this Contract 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 25.43.9, 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.

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Issued: March 24, 2009 Effective: March 25, 2009

(N)

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(Nx)

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(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

# 25.43.5 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 25.43.2), 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 25.43.6(F), and (ii) MARC-eligible services as defined in the other Concurrently Subscribed Contract Offers, plus any applicable trueup 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").

### 25.43.6 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

## 25.43.6 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-eliqible 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.

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### ACCESS SERVICE

# 25. Pricing Flexibility Contract Offerings (Cont'd)

## 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

# 25.43.6 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.

## 25.43.7 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.

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Effective: March 25, 2009

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.43 Contract Offer No. 43 - Access Service Offer (Cont'd)

## 25.43.8 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.

### 25.43.9 Termination

Issued: March 24, 2009

## 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.

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(N)

# 25. Pricing Flexibility Contract Offerings

#### (N)

(N)

(Nx)

(Nx)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer

### 25.44.1 General Description

The Access Service Offer (Contract Offer No. 44) is an access plan for which concurrent subscription is required to the following Access Tariffs: BellSouth 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."

Contract Offer No. 44 requires eligible Customers to satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 25.44.5. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services purchased from The Southern New England Telephone Company ("SNET" or "Telephone Company") and all "Subject Services" as defined in the other Concurrently Subscribed Contract Offers described in Section 25.44.3(B).

Subject Services provided by the Telephone Company are described in Section 25.44.2.

This Contract Offer No. 44 is available for subscription only from July 8, 2009 through August 8, 2009. This offer is not renewable.

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(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

# 25.44.2 <u>Subject Services</u>

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 24.5.2.6, 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. 44.

(N)

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

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(N)

(N)

### 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

# 25.44.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 44:

- (A) All Subject Services must be located in the MSAs for which the Telephone Company has been granted pricing flexibility, as listed in SNET Tariff F.C.C. No. 39, Section 24. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 at the time of subscription, the Customer may, at its option, include Subject Services provided in such additional MSAs in this Contract Offer No. 44, as described in 25.44.2(A), herein.
- (B) The Customer must concurrently subscribe to, and purchase service under, each of the following Contract Offers:
  - •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. 64.
- (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.
- (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.<sup>1</sup>
- (x) Issued under Authority of Special Permission No. 09-022 of F.C.C.

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<sup>&</sup>lt;sup>1</sup> GigaMAN, DecaMAN, <sup>®</sup> WaveMAN, <sup>SM</sup> 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  $\frac{\text{http://cpr.bellsouth.com/guidebook/}}{\text{otherwise}}.$ 

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.44 <u>Contract Offer No. 44 - Access Service Offer</u> (Cont'd)

### 25.44.3 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 an individual case basis (ICB) contract containing a commitment requiring the Customer to purchase a stated minimum number of services or rate elements.

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

### 25.44.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 44:

### (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)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

### 25.44.4 Terms and Conditions (Cont'd)

#### (B) Term Period

The term of this Contract Offer No. 44 (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 24.5.2.6, 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)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

### 25.44.4 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 SNET Tariff F.C.C. No. 39 (Sections 2-General Regulations, 5-Ordering Regulations, and 13-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. 44.
- (F) Commingling is defined in SNET Tariff F.C.C. No. 39, Section 2.13. Commingling of Subject Services provided pursuant to this Contract Offer No. 44 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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

# 25.44.4 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.

### 25.44.5 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 25.44.2 of this Contract Offer No. 44, and all Subject Services as provided in the other Concurrently Subscribed Contract Offers identified in 25.44.3(B) (MARC Revenue). MARC Revenue shall also include any Termination Liability Charges paid, but not credited quarterly pursuant to Section 25.44.4(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 25.44.5(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 25.44.4.
- (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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(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

### 25.44.6 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 24.5.2.6, 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 24.5.2.6, 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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

# 25.44.6 <u>Discounts and Other Credits</u> (Cont'd)

(A) Monthly Recurring Charges (MRCs) - New Subject Services (Cont'd)

Table D

DS1		
Description	USOC	Rate
Standard Channel Termination		
- Per Point of Termination	TZ4AX	\$126.78
Channel Mileage - Mileage Band: 0 Miles-Over 0 Miles	1YBAX	\$52.49
Channel Mileage -Per Mile – Mileage Band: 0 Miles-Over 0 Miles	1YBAX	\$13.73
Multiplexing - Per arrangement	QMVXX	\$165.54
DS3		
Description	USOC	Rate
Standard Channel Termination - Per Point of Termination	TZ4BX	\$922.50
Channel Mileage - Mileage Band: 0 Miles-Over 0 Miles	1YBBX	\$427.50
Channel Mileage – Per Mile – Mileage Band: 0 Miles-Over 0 Miles	1YBBX	\$49.50
Multiplexing - Per arrangement	QM3XX	\$472.50

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

#### 25.44.6 Discounts and Other Credits (Cont'd)

### (B) Non Recurring Charges (NRCs)

NRCs will apply to New Subject Services, as provided in Section 24.5.2.6, except as provided in Table E, below.

Table E

Rate Element - DS1 New Subject Services ONLY	USOC	NRC Charge
Rollover Charges:	NRBWX	\$50.00
Per DS1 Rearrangement		

# (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 prorata 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)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

### 25.44.6 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.

### 25.44.7 Assignment/Transfer/Successors

Neither party shall assign or otherwise transfer this Contract Offer No. 44, 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. 44 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. 44 to an affiliate, or subcontract to an affiliate or a third party work to be performed under this Contract Offer No. 44. Any such assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 44, and any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 44, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 44 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 44, or the rights or obligations hereunder, or any attempt to do either in violation of this provision, shall be void.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

### 25.44.8 Mergers/Acquisitions

All provisions of this Contract Offer No. 44 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. 44 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.

#### 22.44.9 Termination

Termination liability, as described below, applies in lieu of termination liability as described in SNET Tariff F.C.C. No. 39. 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.44 Contract Offer No. 44 - Access Service Offer (Cont'd)

# 25.44.9 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 \$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.

(This page filed under Transmittal No. 987)

#### ACCESS SERVICE

25. Pricing Flexibility Contract Offerings

25.45 Contract Offering No. 45 - Access Advantage Plus Transport Service Extension

#### 25.45.1 General Description

Contract Offer No. 45 - Access Advantage Plus Transport Service Extension is an access discount offer that provides the Customer, located in the Metropolitan Statistical Areas listed The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Section 24, with rates listed in Section 25.45.5 for Access Advantage Plus Transport Service. The Customer must meet the Eligibility Criteria and all Terms and Conditions listed in Section 25.45.3 and 25.45.4.

#### 25.45.2 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 7.16.3.
- (B) The DSO 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 DSO channels
  may be cross connected, but the total number of
  DSO channel cross connects per AA+ Transport
  Service cannot exceed twenty-four (24). A Bonded
  Channel Group consists of consecutively assigned
  DSO channels configured to provide the following
  capacity arrangements:

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.45 Contract Offering No. 45 Access Advantage Plus Transport Service Extension (Cont'd)
    - 25.45.2 Service Qualifications (Cont'd)
      - (B) (Cont'd)
        - (1) Bonded Channel Group 2 Two (2) consecutively assigned DSO channels configured to provide 128 Kbps of capacity.
        - (2) Bonded Channel Group 4 Four (4) consecutively assigned DSO channels configured to provide 326 Kbps of capacity.
        - (3) Bonded Channel Group 6 Six (6) consecutively assigned DSO channels configured to provide 384 Kbps of capacity.
        - (4) Bonded Channel Group 8 Eight (8) consecutively assigned DSO channels configured to provide 512 Kbps of capacity.
        - (5) Bonded Channel Group 12 Twelve (12) consecutively assigned DSO channels configured to provide 768 Kbps of capacity.

# 25.45.3 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 SNET Tariff F.C.C. No. 39, Section 24. If,
  during the Term Period, the Telephone Company
  receives pricing flexibility relief in additional
  MSAs, as listed in Section 24, 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.

#### 25.45.4 Contract Terms

- (A) Contract Offering No. 45 is available for subscription from December 15, 2009 to March 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.

(This page filed under Transmittal No. 996 )

Effective: January 18, 2010

(z)

(N)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.45 Contract Offering No. 45 Access Advantage Plus Transport Service Extension (Cont'd)
    - 25.45.4 Contract Terms (Cont'd)
      - (C) SNET Tariff F.C.C. No. 39, Sections 2, 4, 5, 13 and 15 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. 45.
        - (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 SNET Tariff F.C.C. No. 39, Section 25, as a result of the migration of existing Services from the currently subscribed Contract Offer to this Contract Offer.

(This page filed under Transmittal No. 993)

Effective: December 15, 2009

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.45 Contract Offering No. 45 Access Advantage Plus Transport Service Extension (Cont'd)
    - 25.45.4 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 25.45.5 shall apply during the Contract Term.
      - (F) No other discount pricing plans apply.
      - A minimum of four (4) existing DSO channels in an (G) 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 abovementioned 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) DSO 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. 45 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 DSO channel assignments which connect AA+ Transport Service via Multiplexer Cross Connections to the DSO channels derived from other multiplexed high capacity service arrangements.
        - (2) The consecutive DSO channel assignments for the Bonded Channel Group configurations reflected in Section 25.45.2 (B).

(This page filed under Transmittal No. 993)

(1/1)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.45 Contract Offering No. 45 Access Advantage Plus Transport Service Extension (Cont'd)

#### 25.45.5 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

### 25.45.6 Termination Liability

If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 45 prior to the expiration of the Contract Term, the Customer shall incur a termination charge. The termination charge for Contract Offering No. 45 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. 189 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. 45 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. 45, 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. 45.

(N)

# 25. Pricing Flexibility Contract Offerings

25.46 Contract Offering No. 46 - Access Advantage Plus Transport Service Extension

#### 25.46.1 General Description

Contract Offer No. 46 - Access Advantage Plus Transport Service Extension is an access discount offer that provides the Customer, located in the Metropolitan Statistical Areas listed The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Section 24, with rates listed in Section 25.46.5 for Access Advantage Plus Transport Service. The Customer must meet the Eligibility Criteria and all Terms and Conditions listed in Section 25.46.3 and 25.46.4.

#### 25.46.2 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 7.16.3.
- (B) The DSO 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 DSO channels may be cross connected, but the total number of DSO channel cross connects per AA+ Transport Service cannot exceed twenty-four (24). A Bonded Channel Group consists of consecutively assigned DSO channels configured to provide the following capacity arrangements:

(N)

#### ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd)

25.46 Contract Offering No. 46 - Access Advantage Plus Transport Service Extension (Cont'd)

#### 25.46.2 Service Qualifications (Cont'd)

- (B) (Cont'd)
  - (1) Bonded Channel Group 2 Two (2) consecutively assigned DSO channels configured to provide 128 Kbps of capacity.
  - (2) Bonded Channel Group 4 Four (4) consecutively assigned DSO channels configured to provide 326 Kbps of capacity.
  - (3) Bonded Channel Group 6 Six (6) consecutively assigned DSO channels configured to provide 384 Kbps of capacity.
  - (4) Bonded Channel Group 8 Eight (8) consecutively assigned DSO channels configured to provide 512 Kbps of capacity.
  - (5) Bonded Channel Group 12 Twelve (12) consecutively assigned DSO channels configured to provide 768 Kbps of capacity.

# 25.46.3 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 SNET Tariff F.C.C. No. 39, Section 24. If,
  during the Term Period, the Telephone Company
  receives pricing flexibility relief in additional
  MSAs, as listed in Section 24, 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.

#### 25.46.4 Contract Terms

- (A) Contract Offering No. 46 is available for subscription from March 16, 2010 to June 15,
- (B) In order to subscribe to this Contract Offer, the Customer must provide a signed Letter of Subscription (LOS) to the Telephone Company.

(This page filed under Transmittal No. 997)

Effective: March 16, 2010

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.46 Contract Offering No. 46 Access Advantage Plus Transport Service Extension (Cont'd)
    - 25.46.4 Contract Terms (Cont'd)
      - C) SNET Tariff F.C.C. No. 39, Sections 2, 4, 5, 13 and 15 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. 46.
        - (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 SNET Tariff F.C.C. No. 39, Section 25, as a result of the migration of existing Services from the currently subscribed Contract Offer to this Contract Offer.

(N)

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.46 Contract Offering No. 46 Access Advantage Plus Transport Service Extension (Cont'd)
    - 25.46.4 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 25.46.5 shall apply during the Contract Term.
      - (F) No other discount pricing plans apply.
      - A minimum of four (4) existing DSO channels in an (G) 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 abovementioned 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) DSO 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. 46 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 DSO channel assignments which connect AA+ Transport Service via Multiplexer Cross Connections to the DSO channels derived from other multiplexed high capacity service arrangements.
        - (2) The consecutive DSO channel assignments for the Bonded Channel Group configurations reflected in Section 25.46.2 (B).

(N)

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 25.46 Contract Offering No. 46 Access Advantage Plus Transport Service Extension (Cont'd)

#### 25.46.5 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

### 25.46.6 Termination Liability

If the Customer discontinues AA+ Transport Service purchased under Contract Offering No. 46 prior to the expiration of the Contract Term, the Customer shall incur a termination charge. The termination charge for Contract Offering No. 46 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. 46 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. 46 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. 46, 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. 46.

(N)

# 25. Pricing Flexibility Contract Offerings

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer

(N)

# 25.47.1 General Description

(N)

This DS1/DS3 Service Offer (Contract Offer No. 47) is an (Nx) access discount pricing plan which concurrent subscription is required to the following Access Tariffs: Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 47, and Ameritech Operating Companies (Ameritech) Tariff F.C.C. 2, Contract Offer No. 192. Ameritech and SNET shall be identified herein as the Qualified Companies.

(Nx)

Contract Offer No. 47 requires eligible Customers to (N) satisfy a Minimum Annual Revenue Commitment (MARC), as described in Section 25.47.5, herein. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services purchased from the Telephone Company and all Subject Services, as defined in the other Concurrently Subscribed Contract Offer identified in Section 25.47.3, which services purchased from either of the Qualified Companies may be referred to as Qualified Access Services.

Subject Services provided by the Telephone Company are described in Section 25.47.2.

Contract Offer No. 47 will be available only from July 17, 2010 through August 17, 2010.

## 25.47.2 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 twelve (12) month term commitment, pursuant to Section 25.47.4(E), as applicable.

Table A - Subject Services

Subject Services	
Interstate Special	DS1 & DS3
Access	
Includes only those services listed above and located in the Metropolitan Statistical Areas (MSAs): Hartford and Bridgeport CT.	

(x) Issued under authority of Special Permission No. 10-015 of the FCC.

(N)

(This page filed under Transmittal No. 1000 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

### 25.47.2 Subject Services (Cont'd)

- (A) Subject Services ordered and purchased by 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.
- 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. 47.

## 25.47.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 47:

(A) All Subject Services must be located in the following Metropolitan Statistical Areas (MSAs): Hartford and Bridgeport CT, for which the Telephone Company has been granted pricing flexibility relief, as listed in SNET Tariff FCC No. 39.

During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 at the time of subscription, the Customer may, at its option, include Subject Services provided in such additional MSAs in this Contract Offer No. 47, as described in 25.47.3, herein, by providing written notice to the Telephone Company.

(B) In addition to subscribing to, and purchasing Subject (Nx) Services from, this Contract Offer throughout the Term Period, the Customer must concurrently subscribe to, and purchase service from the following contract

Ameritech Tariff FCC No. 2, Section 22, Contract Offer No. 192. Ameritech Contract Offer No. 192 and this Contract Offer may be referred to as the Concurrently Subscribed Contract Offers. Any breach termination of either of the Concurrently Subscribed Contract Offers shall be deemed to be a breach or termination of both of the Concurrently Subscribed Contract Offers.

(Nx)

(x) Issued under authority of Special Permission No. 10-015 of the FCC.

(This page filed under Transmittal No. 1000)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

## 25.47.3 Eligibility Criteria (Cont'd)

- (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.
- (D) The Customer's subscription to, and purchase of Subject Services from, the Qualified Companies under the concurrently subscribed to Contract Offers must include all of the Customer's subsidiaries and affiliates.
- (E) 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 offer or other arrangement.

### 25.47.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 47:

### (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.

(N)

# 25. Pricing Flexibility Contract\_Offerings (Cont'd)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

### 25.47.4 Terms and Conditions (Cont'd)

### (A) Subscription (Cont'd)

(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 current Term Year, for purposes determining the MARC for the current Term Year, and/or (b) twelve (12), for purposes determining the MARC for each Term Year thereafter.

#### (B) Term Period

The term of this Contract Offer (Term Period) shall be five (5) years, commencing on the date the Telephone Company receives the signed Letter of Subscription. This Contract Offer, including, without limitation, the issuance of credits pursuant to this Contract Offer, shall terminate upon the expiration of the Term Period. This Contract Offer is not renewable.

Purchases of the Subject Services are also subject to certain rates, charges and general terms and conditions in other sections of SNET Tariff FCC No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and Section 8-Testing, Maintenance and Additional Labor Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Any such modifications will not change the Terms and Conditions of Contract Offer No. 47.

(C) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff FCC No. 39, Section 5 - Ordering Options for Switched Access and Special Access Services.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

### 25.47.4 Terms and Conditions (Cont'd)

(D) Subject Services, as defined in Section 25.47.2, to which the Customer already subscribes as of the commencement of the Term Period shall receive credits under this Contract Offer, beginning upon the commencement of the Term Period of this Contract Offer.

# (E) Service Term

Each Subject Service shall be subject to a twelve (12) month term commitment (Service Term), which shall begin as provided below. 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 twelve (12) months term commitment pursuant to Section 24.5.2.6, 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

### (F) Portability

DS1 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the Term Period of Contract Offer No. 47, provided that the eligibility criteria in Section 25.47.3, and the Terms and Conditions in Section 25.47.4 have been met.

DS3 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS3s throughout the Term Period of Contract Offer No. 47 as long as the DS3 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 25.47.3 and the Terms and Conditions in Section 25.47.4 have been met.

(N)

(This page filed under Transmittal No. 1000)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

### 25.47.4 Terms and Conditions (Cont'd)

# (G) Technology Upgrade

As long as the Customer meets the eligibility criteria in Section 25.47.3 and the Terms and Conditions in Section 25.47.4, the Customer may purchase services which offer features based on upgraded technology from the Telephone Company to replace one or more services listed in Section 25.47.2, Table A. Once eligibility is determined, the Telephone Company shall waive termination penalties provided that the desired upgraded technology:

- (1) is comparable to existing Subject Services;
- (2) provides substantially the same functionality as the existing Subject Services;
- (3) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer;
- (4) Customer is in compliance with all Terms and Conditions of this Contract Offer; and
- (5) any Existing Subject Service must have been in service for a minimum of twelve (12) months from its installation date to its disconnection date.
- (H) Commingling is defined in SNET Tariff FCC No. 39,
  Section 2.13. Commingling of Subject Services provided
  pursuant to this Contract Offer is prohibited. (N)

(This page filed under Transmittal No. 1000)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 <u>Contract Offer No. 47 - DS1, DS3 Service Offer</u> (Cont'd)

#### 25.47.5 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) throughout the Term Period. Each period of three hundred sixty-five (365) days during the Term Period shall be known as a Term Year. The Customer's revenue, for purposes of determining and applying the MARC shall be comprised of recurring charges associated with Qualified Access Services purchased under Eligible ACNAs, net of all applicable credits and discounts (MARC Revenue). As clarification, but not to modify the foregoing sentence, non-recurring charges (NRCs) shall not be included in determining or applying the MARC. The MARC will be calculated as outlined below in Section 25.47.5(A).

### (A) Determining the Minimum Annual Revenue Commitment

The Customer's MARC for Term Year 1 shall be \$500,000.

The MARC for Term Years 2, 3, 4 and 5 will be reviewed and determined annually on the anniversary of the beginning of the Term Period. The MARC for Years 2, 3, 4 and 5 will be calculated as follows:

Sum of the recurring revenue for all Qualified Access Services during the last three (3) months of the prior Term Year, multiplied by four (4), multiplied by ninety-five percent (95%).

If the MARC resulting from the above calculation is greater than the previous Term Year's MARC, the newly recalculated MARC will apply during the next Term Year. If the MARC resulting from the above calculation is less than the previous Term Year's MARC, the then-current MARC will continue to apply during the next Term Year.

Example of Year 2 MARC Calculation: Customer's Term Year 1 MARC is \$500,000. At the end of Term Year 1, the recurring revenue for Qualified Access Services during the previous three (3) months totaled \$150,000. \$150,000 times 4, times 95%, equals \$570,000. Because \$570,000 is greater than \$500,000, the MARC for the Term Year 2 will be \$570,000.

(N)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

#### 25.47.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

### (B) Failure to Achieve the MARC

If, for any Term Year, the Customer fails to satisfy the MARC for any year of the Term Period, the Customer must choose one of the options below:

- (1) The Customer shall pay a True-Up Payment, as provided in Section 25.47.5(C), below; or
- (2) The Customer shall terminate this Contract Offer and pay termination liability charges as set forth in Section 25.47.9, following.

# (C) Annual True-Up

The Telephone Company shall conduct an Annual True-Up as of the end of each Term Year. If, for any Term Year, the Customer's MARC Revenue is less than the MARC applicable during that Term Year, the Telephone Company will notify the Customer, and the Customer will be required to make a True-Up Payment equal to the difference between the Customer's MARC Revenue and the MARC for the relevant Term Year. The True-Up Payment will be due sixty (60) days after the Telephone Company provides notice to the Customer. The True-Up Payment will be calculated as follows:

Annual MARC - MARC Revenue = Amount of True-Up Payment

If the Customer fails to submit a True-Up Payment to the Telephone Company when due, the Customer shall be deemed to have terminated this Contract Offer and termination charges will apply, as set forth in Section 25.47.9, below.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

# 25.47.6 Rates

Table B, below contains the discounted rates for this Contract Offer No. 47. Any rate elements not listed in Table B will be provided at their normally applicable rates, as provided in Tariff FCC 39, Section 7. Each circuit (Channel Termination / LDC and Mileage) must be located entirely in the MSAs listed in Section 25.47.3(A) to be eligible for these rates.

### TABLE B

Rate Elements	Applicable USOC	MRC per Rate Element
DS3 Channel Mileage Termination - Per Point	TZ4Bx	\$232.75
of Termination-CMT		
DS3 Channel Mileage-Per Mile	1YBBx	\$33.15
DS3 Interconnection- Central Office Multiplexing	QM3Xx	\$427.50
DS1 Channel Mileage 0 miles	1YBAx	\$113.00
DS1 Channel Mileage 1- 10 miles	1YBAx	\$185.00
DS1 Channel Mileage 11- 20 miles	1YBAx	\$225.00

The Telephone Company shall waive the following NRCs associated with the purchase of qualifying DS1 and DS3 Services for Customers subscribed to Contract Offer No. 47:

- (z)
- (A) Design and Central Office Connection Charge per Circuit; Section 7; and
- (B) Customer Connection Charge per termination; Section 7.

(This page filed under Transmittal No. 1001 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 Contract Offer No. 47 - DS1, DS3 Service Offer (Cont'd)

### 25.47.7 Assignment/Transfer/Successors

- (A) Neither party shall assign or otherwise transfer without the prior written consent of the other party (which consent will not be unreasonably withheld or delayed) this Contract Offer No. 47. Customer may, without the Telephone Company's consent, but upon notice to the Telephone Company, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 47 to an Affiliate, but Customer financially responsible remain for performance of such obligations. The Telephone Company may, without Customer's consent, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 47 to an Affiliate, or subcontract to an Affiliate or a third party work to be performed under this Contract Offer No. 47, but the Telephone Company will, in each such case, remain financially responsible for the performance of such An Affiliate of a party shall be obligations. defined herein as any entity that controls, is controlled by, or is under common control with, such party.
- (B) Any assignment other than as permitted by this Section 25.47.7(A) is void.

### 25.47.8 Mergers/Acquisitions

All provisions of this Contract Offer No 47 shall continue in full force and in effect not withstanding 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. 47 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)

(This page filed under Transmittal No. 1000)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 <u>Contract Offer No. 47 - DS1, DS3 Service Offer</u> (Cont'd)

# 25.47.9 Termination Liability

## (A) Termination Liability of Agreement

Termination liability language, described below, applies in lieu of the termination liability language described in SNET Tariff FCC No. 39, Section 2.11.1(B). If the Customer terminates service under this Contract Offer 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 sixty (60) days prior to the desired date of termination of the Qualified Access Services pursuant to this Contract Offer.

If the Customer fails to meet any of the eligibility criteria as described in Section 25.47.3, or fails to meet any of the Terms and Conditions in Section 25.47.4, the Customer will be deemed to have terminated services under this Contract Offer, and termination liability charges are payable pursuant to SNET Tariff FCC No.39, Section 2.

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:

Fifty percent (50%) of the difference between the Actual Current Annual Recurring Revenue for Qualified Access Services and the Annual MARC at the time of termination, plus fifty percent (50%) of the Annual MARC at the time of termination for each subsequent year remaining in the Term Period.

50% (Annual MARC - Annual Current Recurring
Revenue) + 50% (Annual MARC x years remaining)
= termination liability

For example, the Customer terminates this Contract Offer in Year 2 and Customer has 3 years remaining in a 5-year Term Period. Customer's current MARC at time of termination is \$500,000, and actual recurring revenue is \$400,000. The termination liability charge will be as follows:

50% (\$500,000 - 400,000) + 50% (\$500,000 x 3) = \$800,000 termination liability charge (N)

(This page filed under Transmittal No. 1000 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.47 <u>Contract Offer No. 47 - DS1, DS3 Service Offer</u> (Cont'd)

## 25.47.9 Termination Liability (Cont'd)

## (A) Termination Liability Individual Subject Services

Termination liability, as described herein, applies in lieu of termination liability as described in SNET Tariff FCC No. 39. 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.

The Customer will be liable for a termination charge which shall be equal to fifty percent (50%) of the MRC for the disconnected rate elements, or Subject Services, for the balance of the Service Term.

MRC X 50% X (months remaining in the applicable Service Term)

In addition, the Customer will be charged for any NRCs previously waived and/or discounted by one hundred percent (100%) for such terminated individual rate elements or Subject Services.

(N)

(This page filed under Transmittal No. 1000 )

## 25. Pricing Flexibility Contract Offerings

(N)

# 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer

(N)

### 25.48.1 General Description

(N)

This DS1/DS3 Service Offer (Contract Offer No. 48) is an (Nx) access discount pricing plan which concurrent subscription is required to the following Access Tariffs: Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 48, and Ameritech Operating Companies (Ameritech) Tariff F.C.C. 2, Contract Offer No. 193. Ameritech and SNET shall be identified herein as the Qualified Companies.

(Nx)

Contract Offer No. 48 requires eligible Customers to (N) satisfy a Minimum Annual Revenue Commitment (MARC), as described in Section 25.48.5, herein. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services purchased from the Telephone Company and all Subject Services, as defined in the other Concurrently Subscribed Contract Offer identified in Section 25.48.3, which services purchased from either of the Qualified Companies may be referred to as Qualified Access Services.

Subject Services provided by the Telephone Company are described in Section 25.48.2.

Contract Offer No. 48 will be available only from September 25, 2010 through October 25, 2010.

### 25.48.2 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 twelve (12) month term commitment, pursuant to Section 25.48.4(E), as applicable.

Table A - Subject Services

Subject Services	
Interstate Special Access	DS1 & DS3
Includes only those ser located in the Metropol (MSAs): Hartford and Br	itan Statistical Areas

(x) Issued under authority of Special Permission No. 10-020 of the FCC.

(N)

(This page filed under Transmittal No. 1004)

Issued: September 24, 2010 Effective: September 25, 2010

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

(Nx)

(N)

## 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.2 Subject Services (Cont'd)

- (A) Subject Services ordered and purchased by the Customer 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. 48.

## 25.48.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 48:

(A) All Subject Services must be located in the following Metropolitan Statistical Areas (MSAs): Hartford and Bridgeport CT, for which the Telephone Company has been granted pricing flexibility relief, as listed in SNET Tariff FCC No. 39.

During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 at the time of subscription, the Customer may, at its option, include Subject Services provided in such additional MSAs in this Contract Offer No. 48, as described in 25.48.3, herein, by providing written notice to the Telephone Company.

(B) In addition to subscribing to, and purchasing Subject (Nx)

Services from, this Contract Offer throughout the Term Period, the Customer must concurrently subscribe to, and purchase service from the following contract offer: Ameritech Tariff FCC No. 2, Section 22, Contract Offer No. 193. Ameritech Contract Offer No. 192 and this Contract Offer may be referred to as the Concurrently Subscribed Contract Offers. Any breach or termination of either of the Concurrently

Subscribed Contract Offers shall be deemed to be a breach or termination of both of the Concurrently Subscribed Contract Offers.

(x) Issued under authority of Special Permission No. 10-020 of the FCC.

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Issued: September 24, 2010 Effective: September 25, 2010

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

## 25.48.3 Eligibility Criteria (Cont'd)

- (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.
- (D) The Customer's subscription to, and purchase of Subject Services from, the Qualified Companies under the concurrently subscribed to Contract Offers must include all of the Customer's subsidiaries and affiliates.
- (E) 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 offer or other arrangement.

### 25.48.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 48:

### (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.

(N)

(This page filed under Transmittal No. 1004)

# 25. Pricing Flexibility Contract\_Offerings (Cont'd)

(N)

# 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.4 Terms and Conditions (Cont'd)

### (A) Subscription (Cont'd)

(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 current Term Year, for purposes determining the MARC for the current Term Year, and/or (b) twelve (12), for purposes determining the MARC for each Term Year thereafter.

#### (B) Term Period

The term of this Contract Offer (Term Period) shall be five (5) years, commencing on the date the Telephone Company receives the signed Letter of Subscription. This Contract Offer, including, without limitation, the issuance of credits pursuant to this Contract Offer, shall terminate upon the expiration of the Term Period. This Contract Offer is not renewable.

Purchases of the Subject Services are also subject to certain rates, charges and general terms and conditions in other sections of SNET Tariff FCC No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and Section 8-Testing, Maintenance and Additional Labor Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Any such modifications will not change the Terms and Conditions of Contract Offer No. 48.

(C) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff FCC No. 39, Section 5 - Ordering Options for Switched Access and Special Access Services.

(N)

(This page filed under Transmittal No. 1004 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.4 Terms and Conditions (Cont'd)

(D) Subject Services, as defined in Section 25.48.2, to which the Customer already subscribes as of the commencement of the Term Period shall receive credits under this Contract Offer, beginning upon the commencement of the Term Period of this Contract Offer.

## (E) Service Term

Each Subject Service shall be subject to a twelve (12) month term commitment (Service Term), which shall begin as provided below. 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 twelve (12) months term commitment pursuant to Section 24.5.2.6, 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

### (F) Portability

DS1 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the Term Period of Contract Offer No. 48, provided that the eligibility criteria in Section 25.48.3, and the Terms and Conditions in Section 25.48.4 have been met.

DS3 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS3s throughout the Term Period of Contract Offer No. 48 as long as the DS3 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 25.48.3 and the Terms and Conditions in Section 25.48.4 have been met.

(N)

(This page filed under Transmittal No. 1004 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.4 Terms and Conditions (Cont'd)

# (G) Technology Upgrade

As long as the Customer meets the eligibility criteria in Section 25.48.3 and the Terms and Conditions in Section 25.48.4, the Customer may purchase services which offer features based on upgraded technology from the Telephone Company to replace one or more services listed in Section 25.48.2, Table A. Once eligibility is determined, the Telephone Company shall waive termination penalties provided that the desired upgraded technology:

- (1) is comparable to existing Subject Services;
- (2) provides substantially the same functionality as the existing Subject Services;
- (3) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer;
- (4) Customer is in compliance with all Terms and Conditions of this Contract Offer; and
- (5) any Existing Subject Service must have been in service for a minimum of twelve (12) months from its installation date to its disconnection date.
- (H) Commingling is defined in SNET Tariff FCC No. 39, Section 2.13. Commingling of Subject Services provided pursuant to this Contract Offer is prohibited. (N)

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Issued: September 24, 2010 Effective: September 25, 2010

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.5 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) throughout the Term Period. Each period of three hundred sixty-five (365) days during the Term Period shall be known as a Term Year. The Customer's revenue, for purposes of determining and applying the MARC shall be comprised of recurring charges associated with Qualified Access Services purchased under Eligible ACNAs, net of all applicable credits and discounts (MARC Revenue). As clarification, but not to modify the foregoing sentence, non-recurring charges (NRCs) shall not be included in determining or applying the MARC. The MARC will be calculated as outlined below in Section 25.48.5(A).

### (A) Determining the Minimum Annual Revenue Commitment

The Customer's MARC for Term Year 1 shall be \$500,000.

The MARC for Term Years 2, 3, 4 and 5 will be reviewed and determined annually on the anniversary of the beginning of the Term Period. The MARC for Years 2, 3, 4 and 5 will be calculated as follows:

Sum of the recurring revenue for all Qualified Access Services during the last three (3) months of the prior Term Year, multiplied by four (4), multiplied by ninety-five percent (95%).

If the MARC resulting from the above calculation is greater than the previous Term Year's MARC, the newly recalculated MARC will apply during the next Term Year. If the MARC resulting from the above calculation is less than the previous Term Year's MARC, the then-current MARC will continue to apply during the next Term Year.

Example of Year 2 MARC Calculation: Customer's Term Year 1 MARC is \$500,000. At the end of Term Year 1, the recurring revenue for Qualified Access Services during the previous three (3) months totaled \$150,000. \$150,000 times 4, times 95%, equals \$570,000. Because \$570,000 is greater than \$500,000, the MARC for the Term Year 2 will be \$570,000.

(N)

(This page filed under Transmittal No. 1004)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

## 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

### (B) Failure to Achieve the MARC

If, for any Term Year, the Customer fails to satisfy the MARC for any year of the Term Period, the Customer must choose one of the options below:

- (1) The Customer shall pay a True-Up Payment, as provided in Section 25.48.5(C), below; or
- (2) The Customer shall terminate this Contract Offer and pay termination liability charges as set forth in Section 25.48.9, following.

# (C) Annual True-Up

The Telephone Company shall conduct an Annual True-Up as of the end of each Term Year. If, for any Term Year, the Customer's MARC Revenue is less than the MARC applicable during that Term Year, the Telephone Company will notify the Customer, and the Customer will be required to make a True-Up Payment equal to the difference between the Customer's MARC Revenue and the MARC for the relevant Term Year. The True-Up Payment will be due sixty (60) days after the Telephone Company provides notice to the Customer. The True-Up Payment will be calculated as follows:

Annual MARC - MARC Revenue = Amount of True-Up Payment

If the Customer fails to submit a True-Up Payment to the Telephone Company when due, the Customer shall be deemed to have terminated this Contract Offer and termination charges will apply, as set forth in Section 25.48.9, below.

(This page filed under Transmittal No. 1004 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.6 Rates

Table B, below contains the discounted rates for this Contract Offer No. 48. Any rate elements not listed in Table B will be provided at their normally applicable rates, as provided in Tariff FCC 39, Section 7. Each circuit (Channel Termination / LDC and Mileage) must be located entirely in the MSAs listed in Section 25.48.3(A) to be eligible for these rates.

### TABLE B

Rate Elements	Applicable USOC	MRC per Rate Element		
DS3 Channel Mileage Termination - Per Point of Termination-CMT	TZ4Bx	\$232.75		
DS3 Channel Mileage-Per Mile	1YBBx	\$33.15		
DS3 Interconnection- Central Office Multiplexing	QM3Xx	\$427.50		
DS1 Channel Mileage 0 miles	1YBAx	\$113.00		
DS1 Channel Mileage 1- 10 miles	1YBAx	\$185.00		
DS1 Channel Mileage 11- 20 miles	1YBAx	\$225.00		

The Telephone Company shall waive the following NRCs associated with the purchase of qualifying DS1 and DS3 Services for Customers subscribed to Contract Offer No. 48:

- (A) Design and Central Office Connection Charge per Circuit; Section 7; and
- (B) Customer Connection Charge per termination; Section 7.

(N)

(This page filed under Transmittal No. 1004 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.48 Contract Offer No. 48 - DS1, DS3 Service Offer (Cont'd)

### 25.48.7 Assignment/Transfer/Successors

- (A) Neither party shall assign or otherwise transfer without the prior written consent of the other party (which consent will not be unreasonably withheld or delayed) this Contract Offer No. 48. Customer may, without the Telephone Company's consent, but upon notice to the Telephone Company, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 48 to an Affiliate, but Customer financially responsible remain for performance of such obligations. The Telephone Company may, without Customer's consent, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 48 to an Affiliate, or subcontract to an Affiliate or a third party work to be performed under this Contract Offer No. 48, but the Telephone Company will, in each such case, remain financially responsible for the performance of such An Affiliate of a party shall be obligations. defined herein as any entity that controls, is controlled by, or is under common control with, such party.
- (B) Any assignment other than as permitted by this Section 25.48.7(A) is void.

### 25.48.8 Mergers/Acquisitions

All provisions of this Contract Offer No 48 shall continue in full force and in effect not withstanding 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. 48 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)

(This page filed under Transmittal No. 1004)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.48 <u>Contract Offer No. 48 - DS1, DS3 Service Offer</u> (Cont'd)

## 25.48.9 Termination Liability

## (A) Termination Liability of Agreement

Termination liability language, described below, applies in lieu of the termination liability language described in SNET Tariff FCC No. 39, Section 2.11.1(B). If the Customer terminates service under this Contract Offer 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 sixty (60) days prior to the desired date of termination of the Qualified Access Services pursuant to this Contract Offer.

If the Customer fails to meet any of the eligibility criteria as described in Section 25.48.3, or fails to meet any of the Terms and Conditions in Section 25.48.4, the Customer will be deemed to have terminated services under this Contract Offer, and termination liability charges are payable pursuant to SNET Tariff FCC No.39, Section 2.

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:

Fifty percent (50%) of the difference between the Actual Current Annual Recurring Revenue for Qualified Access Services and the Annual MARC at the time of termination, plus fifty percent (50%) of the Annual MARC at the time of termination for each subsequent year remaining in the Term Period.

50% (Annual MARC - Annual Current Recurring
Revenue) + 50% (Annual MARC x years remaining)
= termination liability

For example, the Customer terminates this Contract Offer in Year 2 and Customer has 3 years remaining in a 5-year Term Period. Customer's current MARC at time of termination is \$500,000, and actual recurring revenue is \$400,000. The termination liability charge will be as follows:

50% (\$500,000 - 400,000) + 50% (\$500,000 x 3) = \$800,000 termination liability charge (N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.48 <u>Contract Offer No. 48 - DS1, DS3 Service Offer</u> (Cont'd)

## 25.48.9 Termination Liability (Cont'd)

## (A) Termination Liability Individual Subject Services

Termination liability, as described herein, applies in lieu of termination liability as described in SNET Tariff FCC No. 39. 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.

The Customer will be liable for a termination charge which shall be equal to fifty percent (50%) of the MRC for the disconnected rate elements, or Subject Services, for the balance of the Service Term.

MRC X 50% X (months remaining in the applicable Service Term)

In addition, the Customer will be charged for any NRCs previously waived and/or discounted by one hundred percent (100%) for such terminated individual rate elements or Subject Services.

(This page filed under Transmittal No. 1004)

### 25. Pricing Flexibility Contract Offerings

### (N)

(N)

(Nx)

(N)

# 25.49 Contract Offer No. 49 - Access Service Offer

### 25.49.1 General Description

The Special Access Service Offer (Contract Offer No. 49) is 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. 24; Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 170; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 155; 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. 49, Concurrently Subscribed Contract Offers). NBTC, SWBT, PBTC, BellSouth and Ameritech, with the Telephone Company, shall be identified herein as the "Qualified Companies."

Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 49 and the other Concurrently Subscribed Contract Offers, Contract Offer No. 49 requires eligible Customers to make and satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 25.49.5. The MARC consists of certain recurring revenues from, in the aggregate, all MARC-eligible services purchased from The Southern New England Telephone ("SNET" or "Telephone Company"), as defined and provided in this Contract Offer No. 49, and the MARC-eligible services as defined and provided in the other Concurrently Subscribed Contract Offers described in Section 25.49.3(C).

MARC-eligible services provided by the Telephone Company are described in Section 25.49.2, with the Subject Services set forth in Section 25.49.2(A), and Non-Subject Services set forth in Section 25.49.2(B).

Contract Offer No. 49 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)

(This page filed under Transmittal No. 1005 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.2 Subject and Non-Subject Services

MARC-eligible services under this Contract Offer No. 49 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 SNET Tariff F.C.C. No. 39, Section 1.3 (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 SNET SONET Network Services (SSNS), except for any rate elements not subject to pricing flexibility

(This page filed under Transmittal No. 1005)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

### 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

# 25.49.2 Subject and Non-Subject Services

# (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, SNET SONET Network Services (SSNS), and rate elements not listed in Table A
Broadband Interstate Special Access	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, Serial Component Video Service (SCVS)
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. 49. 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.

(This page filed under Transmittal No. 1005 )

<sup>&</sup>lt;sup>1</sup> 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>.

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

(Nx)

(Nx)

- 25.49 Contract Offer No. 49 Access Service Offer (Cont'd)
  - 25.49.2 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. 49.

# 25.49.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 49:

(A) Contract Offer No. 49 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 SNET Tariff F.C.C. No. 39, Section 24 and those additional MSAs listed below. During the Term Period of this Contract Offer No. 49, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 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. 49.

Bridgeport, CT; New Haven, CT; New London, CT

- (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 25.49.4(C), below) during those twelve (12) months equal to no less than \$800 million.
- (C) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to the following Contract Offers:
  - 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.

(x) Issued under Authority of Special Permission No. 10-025 of F.C.C.

(This page filed under Transmittal No. 1005)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

## (N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

# 25.49.4 <u>Terms and Conditions</u>

The following Terms and Conditions apply to this Contract Offer No. 49:

## (A) Subscription.

To subscribe to Contract Offer No. 49, 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. 49 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. 49.

### (B) Term Period

The term of this Contract Offer No. 49 (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 25.49.4(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.

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. 49 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.

(N)

(This page filed under Transmittal No. 1005 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

(Nx)

(Nx)

(N)

### 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

### 25.49.4 Terms and Conditions (Cont'd)

- (C) The Customer must satisfy a MARC, as described in 25.49.5(A), for each Term Year of this Contract Offer No. 49. The MARC shall be satisfied by gross billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (except Area Commitment Plan credits under BellSouth Tariff F.C.C. No. 1, and those issued under this Contract Offer No. 49 and the other Concurrently Subscribed Contract 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 25.49.2 of this Contract Offer No. 49, and the MARCeligible 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 25.49.2 of this Contract Offer No. 49, and the MARC-eliqible 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-ininterest 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 25.49.2 of this Contract Offer No. 49, 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.
  - (C) Credits earned by the Customer under this Contract Offer No. 49 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 25.49.6, below, and in the analogous sections of the other Concurrently Subscribed Contract Offers.
- (x) Issued under Authority of Special Permission No. 10-025 of F.C.C.

(N)

(N)

(This page filed under Transmittal No. 1005 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.4 Terms and Conditions (Cont'd)

- (E) Except as provided in Section 25.49.4(F), with respect to Contract Offer No. 41, credits earned under this Contract Offer No. 49 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-Eliqible Services under this Contract Offer No. 49 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 SNET Tariff F.C.C. No. 39, Contract Offer No. 41 (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.
  - (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, representing aggregate recurring billed
    revenues of no less than \$85 million over such twoyear period, after applicable discounts, credits,
    and adjustments.

(This page filed under Transmittal No. 1005 )

<sup>&</sup>lt;sup>1</sup> 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 <a href="http://new.serviceguide.att.com/">http://new.serviceguide.att.com/</a>

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

## 25.49.4 Terms and Conditions (Cont'd)

- (H) Credits to be provided under this Contract Offer No. 49 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 SNET Tariff F.C.C. No. 39 (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. 49.
- (J) Commingling (as defined in SNET Tariff F.C.C. No. 39, Section 2.13) of Subject Services provided pursuant to this Contract Offer No. 49 is prohibited.

### 25.49.5 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

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

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

### (B) MARC Calculations

Satisfaction of the MARC shall be determined according to MARC-Eligible Charges (defined in Section 25.49.4(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 yearto-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 25.49.6(B) and (C), below. Any Shortfalls shall be divided among this Contract Offer No. 49 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.

(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).

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

## 5.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.6 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. 49 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. 49 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. 49 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.

MMCs shall not be posted if the Customer is in material breach of this Contract Offer No. 49 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.

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.6 Discounts and Other Credits (Cont'd)

### (A) Monthly Credits (Cont'd)

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	\$6,000,000
Optional Extension	
Year 6 - Second	\$6,000,000
Optional Extension	

### (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.49 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 25.49.6(B)(2) and analogous provisions of the other Concurrently Subscribed Contract Offers) previously paid by the Customer under this Contract Offer No. 49 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 prorated 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 (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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

### 25.49.6 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. 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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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

# 25.49.6 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.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

# 25.49.6 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. 49 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-Eliqible 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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## 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

### 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

### 25.49.7 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 SNET Tariff F.C.C. No. 39, Section 2.11.6 or any credits pursuant to the Installation Interval Guarantee under SNET Tariff F.C.C. No. 39, Section 2.12. 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 25.49.7(B)(3), below, meets or exceeds the Monthly Benchmark, as defined in Table A in Section 25.49.7 (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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## 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

## 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

## 25.49.7 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 25.49.7 (B)(3), below, meets or exceeds the Monthly Benchmark, as defined in Table A in Section 25.49.7B)(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 25.49.7 (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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(N)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

25.49.7 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) \times 350 = $70,000 \text{ Total Credit}$ 

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  $25 \times \$350 = \$8,750$ 

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.7 Service Level Agreements (SLA) (Cont'd)

(A) 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 25.49.7 (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 25.49.7 (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)

(This page filed under Transmittal No. 1005 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

25.49.7 <u>Service Level Agreements (SLA)</u> (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:

	Month								
DS1	1	2	3	4	5	6	7	8	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 $\leq 4$  + Aug TTR $\leq 4$  + Sept TTR $\leq 4$  + Oct TTR $\leq 4$  + Nov TT $\leq 4$  + Dec TTR $\leq 4$ ) x Credit Amount = Total Credit

Or

 $(2396 + 2168 + 2709 + 2417 + 2139 + 2099) \times $100 = $1,392,800$ 

(This page filed under Transmittal No. 1005 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.7 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 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

	Monthly Trouble Report	
Circuit Type	Minimum	Credit
DS1	4,000	\$100
DS3	125	\$350

(N)

(This page filed under Transmittal No. 1005)

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

# 25.49.7 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) \times 100 = $624,700$ 

### 25.49.8 Assignment/Transfer/Successors

(A) Neither party shall assign or otherwise transfer this Contract Offer No. 49 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. 49 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. 49 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. 49 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. 49 and the other Concurrently Subscribed Contract Offers; any assignment or transfer by the Customer shall be subject to the provisions of Section 25.49.7(B), below, and the assignor or transferor will remain financially responsible for the performance of this Contract Offer No. 49 and/or its obligations hereunder. Any assignment or other transfer of this Contract Offer No. 49 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. 1005 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.49 <u>Contract Offer No. 49 - Access Service Offer</u> (Cont'd)

### 25.49.8 Assignment/Transfer/Successors (Cont'd)

- (B) Subject to the provisions of Section 25.49.7(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, <u>e.g.</u>, 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 25.49.7(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)

(This page filed under Transmittal No. 1005 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

(N)

# 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

## 25.49.9 Mergers/Acquisitions and Sales/Divestitures

All provisions of this Contract Offer No. 49 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. 49 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 25.49.5(A), or be eligible for any credits under this Agreement.

#### 25.49.10 Termination

# (A) Termination Liability Charge

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 49 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. 49 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. 49 shall be terminated (if not already terminated) and the Customer shall pay a termination liability charge in the aggregate amount of (i) the Prorated 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, if any, 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.)

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Issued: November 10, 2010 Effective: November 11, 2010

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

# 25.49.10 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 25.49.9(A)(1), by the amount of any Quarterly Shortfall charges paid for that Term Year; or
- (3) if there is no reduction under Section 25.49.9(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 25.49.9(A)(1) and (2), or the reduction under Section 25.49.9(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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

## 25.49.10 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 SNET Tariff F.C.C. No. 39.

(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 (30) percent, as compared to the rates applicable to Subject and Non-Subject Services on the Subscription Date, either party may terminate this Contract Offer No. 49 and the other Concurrently Subscribed Contract Offers without incurring any termination liability charge that would otherwise be due under this Contract Offer No. 49, upon sixty (60) day advance written notice to the other party. Such option to terminate shall be exercisable to this Contract Offer No. 49 and the other Concurrently Subscribed Contract Offers as a package; neither party can terminate less than all of them. 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. 49, 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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.49 Contract Offer No. 49 - Access Service Offer (Cont'd)

# 25.49.10 Termination (Cont'd)

- (B) (Cont'd)
  - DS-1: Channel Terminations (CT), Channel Mileage (CM) fixed and CM per mile;
  - DS-3: CT, CM fixed, CM per mile and Multiplexing (MUX);
  - 3. SONET Dedicated Ring Service<sup>1</sup>: 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) Services¹: 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 25.49.9(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 25.49.9(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.

(N)

<sup>&</sup>lt;sup>1</sup> 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>.

## 25. Pricing Flexibility Contract Offerings

#### (N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer

# 25.50.1 General Description

This Contract Offer permits Customers that meet the Eligibility Criteria in Section 25.50.3, and otherwise comply with the terms and conditions of this Contract Offer, to disconnect Subject Services, as defined in Section 25.50.2 without incurring termination liability charges. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSAs) listed in Section 25.50.2 (B).

This Contract Offer is available for subscription from March 16, 2011 through April 16, 2011. This Contract Offer is not renewable.

## 25.50.2 Subject Services

- (A) This Contract Offer applies to pricing flexibility qualified services (Subject Services) contained in the following tariff section: The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, 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 SNET Tariff F.C.C. No. 39, Section 24, and in the MSAs 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 eligible for the discounts under this Contract Offer No. 50.

Table A

MSA	
Bridgeport	CT
Hartford	CT
New Haven	CT
New London	СТ

(N)

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Issued: March 15, 2011 Effective: March 16, 2011

# 25. Pricing Flexibility Contract Offerings

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

# 25.50.3 Eligibility Criteria

The following eligibility criteria must be met to subscribe to Contract Offer No. 50:

- (A) All Subject Services must originate or terminate on a wireless carrier's network.
- (B) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have been operating no fewer than three hundred (300) and no more than five hundred (500) cell sites, which must be activated and providing service within the MSAs described in 25.50.2(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."
- (C) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have been purchasing no fewer than one thousand five hundred (1,500) and no more than two thousand five hundred (2,500) DS1 special access circuits from the Telephone Company, each of which terminates at a Qualified Cell Site.

#### 25.50.4 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) shall be sixty (60) 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 SNET Tariff F.C.C. No. 39, (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.50.

(N)

# 25. Pricing Flexibility Contract Offerings

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

## 25.50.4 Terms and Conditions (Cont'd)

- (B) General Terms and Conditions (Cont'd)
  - (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.
  - (4) The Customer may disconnect Subject Services without termination liability charges; provided that:
    - (a) the Customer replaces the disconnected Subject Services with Ethernet¹-based services offered by, and purchased from, the Telephone Company;
    - (b) such Ethernet<sup>1</sup>-based services are provided at total Monthly Recurring Charges (MRCs) equal to, or greater than, those applicable to the Subject Services being replaced; and
    - (c) such Ethernet¹-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 Ethernet¹-based services, within the meaning of this Section 25.50.4(B)(4), if, but only if, such Ethernet¹-based services have been installed prior to the time of disconnection of the terminated Subject Services at the same Customer location.

(N)

<sup>&</sup>lt;sup>1</sup>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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>

# 25. Pricing Flexibility Contract Offerings

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

# 25.50.4 Terms and Conditions (Cont'd)

## (B) General Terms and Conditions (Cont'd)

#### (4) (Cont'd)

The Customer's compliance with the foregoing clauses (a) and (b) shall be determined semiannually, 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<sup>1</sup>-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 Optional Payment Plan (DS1 OPP), as described in Section 7 of SNET Tariff F.C.C. No. 39 at the time of their 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<sup>1</sup>-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."

<sup>1</sup>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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>

(N)

# 25. Pricing Flexibility Contract Offerings

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

## 25.50.4 Terms and Conditions (Cont'd)

## (B) General Terms and Conditions (Cont'd)

#### (4) (Cont'd)

If the replacement of Subject Services by Ethernet<sup>1</sup>-based services 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<sup>1</sup>-based services 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 Services; (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.

# Formula:

Excess Terminated Subject Services x Average
Terminated Subject Service MRC x Average Remaining
Term x 50% = Termination Liability Charge

(N)

<sup>&</sup>lt;sup>1</sup>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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>

# 25. Pricing Flexibility Contract Offerings

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

## 25.50.4 Terms and Conditions (Cont'd)

- (B) General Terms and Conditions (Cont'd)
  - (4) (Cont'd)

#### Example:

During the first six (6) months of the Term Period, the Customer replaces Subject Services having total MRCs of \$13,500 with Ethernet<sup>1</sup>-based services having total MRCs (net of applicable credits) of \$12,000. The Ethernet<sup>1</sup>-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 \$255 (total Subject Service MRCs of \$13,500 divided by sixty (60) Subject Services). Maximum Terminated Subject Services equals fifty-three (53) circuits (Ethernet<sup>1</sup>-based services' total MRCs, net of applicable credits, of \$12,000 divided by the Average Subject Services MRC of \$255), and Excess Terminated Subject Services equals seven (7) (Sixty (60) terminated Subject Services minus 53 Maximum Terminated Subject Services). The Customer must pay termination liability on the seven (7) Excess Terminated Subject Services. A termination liability charge of \$11,025 (Average Remaining Term of fourteen (14) months, times the Average Subject Service MRC of \$255, times fifty percent (50%)), times seven (7) Excess Terminated Subject Services.

(N)

<sup>&</sup>lt;sup>1</sup>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 <a href="www.att.com/guidebook">www.att.com/guidebook</a>

#### 25. Pricing Flexibility Contract Offerings

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

# 25.50.5 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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 25.50.6 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)

#### 25. Pricing Flexibility Contract Offerings

(N)

(N)

# 25.50 Contract Offer No. 50 - DS1 and DS3 Service Offer (Cont'd)

# 25.50.6 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.

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd) (Dx)
					(Dx)

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		Offerings	(	(Dx)
				(Dx)

(x) Issued under the Authority of Special Permission 11-010 of the F.C.C.

(This page filed under Transmittal No. 1018 )

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd) (D	x)
					   (D:	x)

(x) Issued under the Authority of Special Permission 11-010 of the F.C.C.

(This page filed under Transmittal No. 1018 )

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd)		(Dx)
							(Dx)
(x)	Issued	under the A	uthority (	of Special	Permission	11-010 of the F.C.C.	
		(This pa	ge filed	under Tran	smittal No.	. 1018 )	
Issı	ued: Aug	ust 10, 2011			Ef	fective: August 11, 20	11

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd)		(Dx)
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		(This pa	ge filed	under Tran	smittal No.	1018 )	
Iss	ued: Aug	ust 10, 2011			Ef	fective: August 11, 20	11

25.	Pricing	Flexibili	ty Contract	Offerings	(Cont'd)		(Dx)
							(Dx)
(x)	Issued	under the	Authority	of Special	Permission	11-010 of the F.C.C.	
		(This	page filed	under Tran	smittal No.	1018 )	
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25.	Pricing	Flexibil	ity	Contract	Offerings	(Cont'd)		(Dx)
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Issı	ued: Aug	ust 10, 2	2011			Ef	fective: Augus	t 11, 2011

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd)	(Dx)
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Issued: August 10, 2011 Effective: August 11, 2011

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd)		(Dx)
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Iss	ued: Aug	ust 10, 2011			Efi	fective: August 11, 20	11

25.	Pricing	Flexibility	Contract	Offerings	(Cont'd) (I	Ox)
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25.	Pricing Fle	xibility Contract	Offerings	(Cont'd)	(Dx)
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Issued: August 10, 2011 Effective: August 11, 2011

Issued: August 10, 2011

Effective: August 11, 2011

# ACCESS SERVICE

25.	Pricing Fl	exibilit	y Contract	t Offering	s (Cont'd)		(Dx)
							(Dx)
(x)	Issued un	der the	Authority	of Specia	l Permission	n 11-010 of th	e F.C.C.
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TARIFF F.C.C. NO. 39 1st Revised Page 25-598 CANCELS Original Page 25-598

## ACCESS SERVICE

25.	Pricing Flexibility	Contract	Offerings	(Cont'd)		(Dx)
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25.	Pricing	Flex	ibil	ity	Contr	act	Offer	ings	(Con	t'd)				(Dx)
														(Dx)
(x)	Issued ur	nder	the	Auth	ority	of	Speci	al Pe	ermis	sion	11-010	of t	the F.C.C.	
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25.	Pricing	Flexibility	Contract	Offerings	(Cont'd) (Dx	:)
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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer

# (N)

#### 25.52.1 General Description

This DS1, DS3 Service Offer (Contract Offer No. 52) is an (Nx) access discount pricing plan which concurrent subscription is required to the following Access Tariffs: The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Contract Offer No. 52, and Ameritech Operating Companies (Ameritech) Tariff F.C.C. 2, Contract Offer No. 202, and Ameritech and SNET shall be identified herein as the "Qualified Companies."

(Nx)

Contract Offer No. 52 requires eligible Customers to (N) satisfy a Minimum Annual Revenue Commitment (MARC), as described in Section 25.52.5 herein. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services purchased from the Telephone Company and all Subject Services as defined in the other Concurrently Subscribed Contract Offer identified in Section 25.52.3, which services purchased from either of the Qualified Companies may be referred to as "Qualified Access Services."

Subject Services provided by the Telephone Company are described in Section 25.52.2.

Contract Offer No. 52 will be available only from August 11, 2011 through September 11, 2011.

(N)

(x) Issued under authority of Special Permission No. 11-010 of F.C.C.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

## 25.52.2 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 twelve (12) month term commitment, pursuant to Section 25.52.4, as applicable.

Table A - Subject Services

Subject Services	
Interstate Special Access	DS1 & DS3

- (A) Subject Services ordered and purchased by the Customer 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. 52. (N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

(Nx)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

## 25.52.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 52:

- (A) All Subject Services must be located in the MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in SNET Tariff F.C.C. No. 39, Section 24.2. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 at the time of subscription, the Customer may, at its option, include Subject Services provided in such additional MSAs in this Contract Offer No. 52, as described in 25.52.2 herein, by providing written notice to the Telephone Company.
- (B) In addition to subscribing to, and purchasing Subject Services from, this Contract Offer throughout the Term Period, the Customer must concurrently subscribe to, and purchase service from the following contract offer: Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 202. Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 202 and this Contract Offer may be referred to as the "Concurrently Subscribed Contract Offers." Any breach or termination of either of the Concurrently Subscribed Contract Offers shall be deemed to be a breach or termination of both of the Concurrently Subscribed Contract Offers.
- (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.
- (x) Issued under authority of Special Permission No. 11-010 of F.C.C.

(N)

(Nx)

(N)

(This page filed under Transmittal No. 1018 )

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

# 25.52.3 Eligibility Criteria (Cont'd)

- (D) The Customer's subscription to, and purchase of Subject Services from, the Qualified Companies under the concurrently subscribed to Contract Offers must include all of the Customer's subsidiaries and affiliates.
- (E) 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 offer or other arrangement.

## 25.52.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 52:

# (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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

## 25.52.4 Terms and Conditions (Cont'd)

## (A) Subscription (Cont'd)

(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.

## (B) Term Period

The term of this Contract Offer (Term Period) shall commence on the date the Telephone Company receives the signed Letter of Subscription ("Subscription Date") and end on October 7, 2016. This Contract Offer, including, without limitation, the issuance of credits pursuant to this Contract Offer, shall terminate upon the expiration of the Term Period. This Contract Offer is not renewable.

Purchases 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. 39, set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and Section 8-Testing, Maintenance and Additional Labor Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Any such modifications will not change the terms and conditions of Contract Offer No. 52.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

## 25.52.4 Terms and Conditions (Cont'd)

- (C) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5 - Ordering Options for Switched Access and Special Access Services.
- (D) Existing Subject Services (as defined in Section 25.52.2(A)) shall receive credits under this Contract Offer, beginning upon the commencement of the Term Period.
- (E) If the Customer subscribed to SNET Contract Offer No. 48 prior to the effective date of this Contract Offer, then: (i) this Contract Offer shall supersede Contract Offer No. 48 effective on the Subscription Date, (ii) SNET Contract Offer No. 48 shall be terminated without termination liability, and (iii) all Subject Services within the meaning of Contract Offer No. 48 and being purchased under Contract Offer No. 48 as of the Subscription Date shall become Existing Subject Services under this Contract Offer as defined in Section 25.52.2(A).

## (F) Service Term

Each Subject Service shall be subject to a twelve (12) month service 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 twelve (12) months term commitment pursuant to Section 7.16.4, 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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

## 25.52.4 Terms and Conditions (Cont'd)

#### (G) Portability

DS1 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the Term Period of Contract Offer No. 52, provided that the eligibility criteria in Section 25.52.3, and the Terms and Conditions in Section 25.52.4 have been met.

DS3 Portability shall be provided as follows: The Telephone Company will credit the Customer any paid early termination liability charges for the disconnection of DS3s throughout the Term Period of Contract Offer No. 52 as long as the DS3 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 25.52.3 and the Terms and Conditions in Section 25.52.4 have been met.

## (H) Technology Upgrade

As long as the Customer meets the eligibility criteria in Section 25.52.3 and the Terms and Conditions in Section 25.52.4, the Customer may purchase services which offer features based on upgraded technology from the Telephone Company to replace one or more services listed in Section 25.52.2, Table A. Once eligibility is determined, the Telephone Company shall waive termination penalties provided that the desired upgraded technology:

- (1) Is comparable to existing Subject Services;
- (2) Provides substantially the same functionality as the existing Subject Services;
- (3) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer.
- (4) Any Existing Subject Service must have been in service for a minimum of twelve (12) months from its installation date to its disconnection date.

(11)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

## 25.52.4 Terms and Conditions (Cont'd)

(I) Commingling is defined in SNET Tariff F.C.C. No. 39, Section 2.13. Commingling of Subject Services provided pursuant to this Contract Offer is prohibited.

## 25.52.5 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer maintain a Minimum Annual Revenue Commitment (MARC) throughout the Term Period. Each period of three hundred sixtyfive (365) days during the Term Period shall be known as a "Term Year," except that Term Year 1 shall begin on the Subscription Date and end on October 7, 2011. The Customer's revenue, for purposes of determining and applying the MARC shall be comprised of recurring charges associated with Qualified Access Services purchased under Eligible ACNAs, net of all applicable credits and discounts ("MARC Revenue"). As clarification, but not to modify the foregoing sentence, non-recurring charges shall not be included in determining or applying the MARC. The MARC will be calculated as outlined below in Section 25.52.5 (A).

# (A) Determining the Minimum Annual Revenue Commitment

The Customer's MARC for Term Year 1 shall be \$208,000.

The MARC for Term Years 2, 3, 4 and 5 will be reviewed and determined annually on the anniversary of the beginning of the Term Period. The MARC for Years 2, 3, 4 and 5 will be calculated as follows:

Sum of the recurring revenue for all Qualified Access Services during the last three (3) months of the prior Term Year, multiplied by four (4), multiplied by ninety-five percent (95%).

For purposes of determining the Year 2 MARC, if the MARC resulting from the above calculation is greater than \$500,000, the newly recalculated MARC will apply during Term Year 2. If the MARC resulting from the above calculation is less than \$500,000, the Term Year 2 MARC will be \$500,000.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

- 25.52 Contract Offer No. 52 DS1, DS3 Service Offer (Cont'd)
  - 25.52.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)
    - (A) Determining the Minimum Annual Revenue Commitment (Cont'd)

For purposes of determining the MARC for Term Year 3 and subsequent Term Years, if the MARC resulting from the above calculation is greater than the previous Term Year's MARC, the newly recalculated MARC will apply during the next Term Year. If the MARC resulting from the above calculation is less than the previous Term Year's MARC, the thencurrent MARC will continue to apply during the next Term Year.

Example of Year 2 MARC Calculation: Customer's Term Year 1 MARC is \$500,000. At the end of Term Year 1, the recurring revenue for Qualified Access Services during the previous 3 months totaled \$150,000. \$150,000 times 4 times 95% equals \$570,000. Because \$570,000 is greater than \$500,000, the MARC for the Term Year 2 will be \$570,000.

## (B) Failure to Achieve the MARC

- If, for any Term Year, the Customer fails to satisfy the MARC for any year of the Term Period, the Customer must choose one of the options below:
- (1) The Customer shall pay a True-Up Payment, as provided in Section 25.52.5 (C), below; or
- (2) The Customer shall terminate this Contract
  Offer and pay termination liability charges
  as set forth in Section 25.52.9, following.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

### 25.52.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

# (C) Annua<u>l True-Up</u>

The Telephone Company shall conduct an Annual True-Up as of the end of each Term Year. If, for any Term Year, the Customer's MARC Revenue is less than the MARC applicable during that Term Year, the Telephone Company will notify the Customer, and the Customer will be required to make a True-Up Payment equal to the difference between the Customer's MARC Revenue and the MARC for the relevant Term Year. The True-Up Payment will be due sixty (60) days after the Telephone Company provides notice to the Customer. The True-Up Payment will be calculated as follows:

Annual MARC - MARC Revenue = Amount of True-Up Payment

If the Customer fails to make a True-Up Payment to the Telephone Company when due, the Customer shall be deemed to have terminated this Contract Offer and termination charges will apply, as set forth in Section 25.52.9, below

# 25.52.6 Rates

Table B, below, contains the discounted rates for Contract Offer No. 52. Any rate elements not listed in Table B will be provided at their normally applicable rates, as provided in Tariff F.C.C. 39, Section 7. Each circuit (Channel Termination / LDC and Mileage) must be located entirely in the MSAs listed in Section 25.52.2 (A) (1) to be eligible for these rates.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

# 25.52.6 Rates (Cont'd)

### TABLE B

Rate Elements	Applicable USOC	MRC per Rate Element
DS3 LDC w/electrical	TZ4BX	\$807.50
Interface LDC		
DS3 Channel Mileage	1YBBX	\$232.75
Termination - Per Point		
of Termination-CMT		
DS3 Channel Mileage-Per	1YBBX	\$33.15
Mile		
DS3 Interconnection-	QM3XX	\$427.50
Central Office		
Multiplexing		
DS1 Channel Mileage 0	1YBAX	\$113.00
miles		
DS1 Channel Mileage 1-	1YBAX	\$185.00
10 miles		
DS1 Channel Mileage 11-	1YBAX	\$225.00
20 miles		

The Telephone Company shall waive the following Non-Recurring Charges (NRCs) associated with the purchase of qualifying DS1, DS3, OCN Point-to-Point and Dedicated Ring Services<sup>1</sup> for Customers subscribed to Contract Offer No. 52:

- (1) Design and Central Office Connection Charge per Circuit; Section 7; and
- (2) Customer Connection Charge per termination; Section 7.

(N)

<sup>&</sup>lt;sup>1</sup> OCN PTP and Dedicated Ring 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.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

# 25.52.7 Assignment/Transfer/Successors

- (A) Neither party shall assign or otherwise transfer without the prior written consent of the other party (which consent will not be unreasonably withheld or delayed) this Contract Offer No. 52. Customer may, without the Telephone Company's consent, but upon notice to the Telephone Company, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 52 to an Affiliate, but Customer will remain financially performance of responsible for the obligations. The Telephone Company may, without Customer's consent, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 52 to an Affiliate, or subcontract to an Affiliate or a third party for work to be performed under this Contract Offer No. 52, but the Telephone Company will in each such case remain financially responsible for the performance of such obligations. "Affiliate" of a party means any entity that controls, is controlled by, or is under common control with, such party.
- (B) Any assignment other than as permitted by this Section 25.52.7(A) is void.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

# 25.52.8 Mergers/Acquisitions

All provisions of this Contract Offer No 52 shall continue in full force and in effect, not withstanding 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. 52 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.

# 25.52.9 Termination Liability

### (A) Termination Liability -Contract Offer

Termination liability language, described below, applies in lieu of the termination liability language described in Tariff No. 39, Section 2.11.1.1B (a). If the Customer terminates this Contract Offer before the completion of the Term Period for any reason, or fails to meet any of the eligibility criteria as described in Section 25.52.3, and/or any of the Terms and Conditions in Section 25.52.4, 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 sixty (60) days prior to the desired date of termination of the Contract Offer.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

# 25.52.9 Termination Liability (Cont'd)

### (A) Termination Liability -Contract Offer (Cont'd)

The Customer's termination liability charges shall be equal to:

Fifty percent (50%) of the difference between the Actual Current Annual Recurring Revenue for Qualified Access Services and the annual MARC at the time of termination, plus fifty percent (50%) of the annual MARC at the time of termination for each subsequent year remaining in the term period.

50% (Annual MARC - Annual Current Recurring Revenue) + 50% (Annual MARC x years remaining) = termination liability

For example, the Customer terminates the contract in Year 2 and Customer has 3 years remaining in a 5-year term period. Customer's current MARC at time of termination is \$500,000 and actual recurring revenue is \$400,000. The Termination liability charge will be as follows:

50% (\$500,000 - 400,000) + 50% (\$500,000 x 3) = \$800,000 termination liability charge (N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.52 Contract Offer No. 52 - DS1, DS3 Service Offer (Cont'd)

### 25.52.9 Termination Liability (Cont'd)

# (B) Termination Liability - Individual Subject Services

Termination liability, as described below, applies in lieu of termination liability as described in SNET Tariff F.C.C. No. 39. 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. The Customer will be liable for a termination charge which shall be equal to fifty percent (50%) of the MRC for the disconnected rate elements or Subject Services for the balance of the Service Term (MRC X 50% X (months remaining in the applicable Service Term). In addition, the Customer will be charged for any NRCs previously waived and/or discounted by one hundred percent (100%) for such terminated individual rate elements or Subject Services.

For example, the Customer terminates a Subject Service in Month 10 of the 12-month service term. Customer's MRC at time of termination is \$500. The Termination liability charge will be as follows:

50% (\$500 X 2) = \$500 termination liability charge

### 25. Pricing Flexibility Contract Offerings

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer

# (N)

### 25.53.1. General Description

(Nx)

This Special Access Service Offer (Contract Offer No. 53) 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. 53 is available to any Customer with at least twentyeight million dollars (\$28,000,000) in cumulative annual recurring revenue for Contributory Services, as defined in Section 25.53.4, from purchases from the Telephone Company and the affiliated telephone companies providing services under the Concurrently Subscribed Contract Offers (the Qualified Companies).

(Nx)

(N)

The Customer must meet the Eligibility Criteria set forth in Section 25.53.2, and also must comply with all Terms and Conditions of this Contract Offer. Contract Offer No. 53 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 25.53.6. The MARC shall include recurring revenue for all Contributory Services purchased from the Qualified Companies.

Contributory Services include Subject Services, as described in Section 25.53.4(A), and Non-Subject Services, as described in Section 25.53.4(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).

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

### 25.53.2. Eligibility Criteria

To be eligible to subscribe to this Contract Offer, the Customer may not purchase services pursuant to any other MARC- or volume-based contract offer or contract that includes Subject Services provided under this Contract Offer.

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.

# 25.53.3. 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 22, Contract Offer No. 206;
- (B) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 158; and
- (C) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 177;

(Nx)

<sup>1</sup>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)

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.4. 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 this Section 25.53.3.

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.

# (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	7.16.1	7.16.4	24.5.2.6
Special			
Access			
Voice Grade			
Service	7.9.1	7.9.4	24.5.2.1
Switched			
Access			
Dedicated			
Transport			
Services	6.2.1		

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.4. Contributory Services (Cont'd)

- (A) Subject Services. (Cont'd)
  - (2) Subject Services under this Contract Offer must be located in the Pricing Flexibility MSAs listed in SNET Tariff F.C.C. No. 39, and in the MSAs in Table 2, below.

Table 2- Metropolitan Statistical Area ("MSA")

MSA	State	
Bridgeport	CT	
Hartford	CT	
New Haven	CT	
New London	CT	
Norwich	CT	

(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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.4. Contributory Services (Cont'd)

- (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	Equivalent VG, DS0, DS1,
Special Access	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.

### 25.53.5. Terms and Conditions

# (A) Term Period

The term of this Contract Offer (Term Period) is two (2) years, commencing on January 1, 2012. The Anniversary Date shall be the same date in the following year. Contract Offer No. 53 is not renewable.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.5. Terms and Conditions (Cont'd)

- (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 SNET Tariff F.C.C. No.39, 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.53 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.
  - (5) Commingling, as defined in SNET Tariff F.C.C. No. 39, Section 2.13 of subject services under this contract offer is prohibited.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.5. 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 SNET Tariff F.C.C. No. 39, Section 2.8 before exercising any remedy under this Section to resolve disputed amounts. The Telephone Company will provide the Customer written notice (via registered letter) of noncompliance. 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 noncompliance, the Telephone Company shall have the right to terminate this Contract Offer No. 53. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 25.53.11 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 SNET Tariff F.C.C. No. 39, Section 2.8.
  - (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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

### 25.53.6. 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 25.53.6. 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 25.53.4 of this Contract Offer No.53, 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.
- (2) The MARC for the second year of the Term
  Period will be equal to the Customer's MARCEligible 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-

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(N)

year MARC of \$28,759,000.

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

### 25.53.6. 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 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) 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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

### 25.53.6. Minimum Annual Revenue Commitment (MARC) (Cont'd)

# (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.

### 25.53.7. 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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.7. Non-Recurring Charges (Cont'd)

(B) New Subject Services. (Cont'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 NRCs, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39 Section 5 Subject Services pursuant to this Contract Offer.

# 25.53.8. Termination Liability Waiver

The Telephone Company will waive termination liability charges for moves and/or disconnection of Subject Services, as provided in this Section 25.53.8. 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;
- (B) The Customer shall be permitted to move and/or disconnect Subject Services from any of the Concurrently Subscribed Contract Offers described in Section 25.53.3;
- (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.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.9 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.

# 25.53.10 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, 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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

### 25.53.10 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's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 25.53.10 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)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

# 25.53.11 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 25.53.6 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 25.53.2 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 noncompliance, 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. 53 , and termination liability charges will apply, as stated below, and will be payable pursuant to SNET Tariff F.C.C. No. 39, Section 2.8. 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.
- (B) This Section 25.53.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 53, 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

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(N)

Sections 25.53.7 and 25.53.11.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.53 Contract Offer No. 53 - Access Service Offer (Cont'd)

### 25.53.12 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.

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### 25. Pricing Flexibility Contract Offerings

(N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer

# (N)

### 25.54.1 General Description

(Nx)

This DS1, DS3 Service Offer (Contract Offer No. 54) is an access discount, pricing plan which concurrent subscription is required to the following Access Tariffs: The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Contract Offer No. 54, and Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 207. SNET and Ameritech shall be identified herein as the "Qualified Companies."

Contract Offer No. 54 requires eligible Customers to satisfy a Minimum Annual Revenue Commitment (MARC), as described in Section 25.54.5 herein. The MARC will consist of recurring revenues, in the aggregate, from all Subject Services and Non-Subject Services purchased from the Telephone Company and in the other Concurrently Subscribed Contract Offers. Subject Services and Non-Subject Services, as defined in Section 25.54.2, and in the other Concurrently Subscribed Contract Offer identified in Section 25.54.3, which are purchased from either of the Qualified Companies, may be referred to as "MARC Eligible Services."

Contract Offer No. 54 will be available only from December 13, 2011 through January 13, 2012.

# 25.54.2 Subject Services and Non- Subject Services

MARC-Eligible services consist of both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below, provided by the Qualified Companies and located within the "Operating Territory" of either of the Qualified Companies, as described in SNET Tariff F.C.C. No. 39, Section 1 (Operating Territory), and Ameritech Tariff F.C.C. No. 2, Section 14 (Operating Territory), respectively.

(A) Subject Services are listed in Table A, below.

(Nx)

Table A - Subject Services

Subject Services	
Interstate Special Access	DS1 & DS3

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

### 25.54.2 Subject Services and Non- Subject Services (Cont'd)

### (A) (Cont'd)

- (1) Only those Subject Services that were initially ordered and purchased by the Customer under SNET Contract Offer Nos. 48 or 52 prior to Customer's subscription to this Contract Offer, may be included in this Contract Offer. Subject Services will be referred to as "Existing Subject Services."
- (2) 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."
- (3) 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. 54.
- (4) All Subject Services must be located in MSAs for which the Telephone Company has been granted pricing flexibility relief, as listed in SNET Tariff F.C.C. No. 39, Section 24.2, and additional MSAs listed in Table B, 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 21 or Table B at the time of subscription, the Customer may, at its option, include Subject Services provided in such additional MSAs in this Contract Offer No. 54, as described in 25.54.2, Table (A), herein, by providing written notice to the Telephone Company.

Table B

MSA	
Bridgeport	CT
Hartford	СТ
New Haven	СТ
New London	CT

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25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

# 25.54.2 Subject Services and Non- Subject Services (Cont'd)

Non-Subject Services are listed in Table C, below.

Table C - Non-Subject Services		
Category	Non-Subject Services	
Interstate Special Access		
Services provided by the		
Telephone Company but not		
located in Pricing		
Flexibility Metropolitan		
Statistical Areas (MSAs),	DS1, DS3	
and any rate elements		
located in Pricing		
Flexibility MSAs but not		
subject to pricing		
flexibility relief.		
Broadband Interstate Special Access	Optical Carrier Network Point-to- Point (OCN PTP), Dedicated SONET Ring Service (DSRS), GigaMAN, DecaMAN, Opt-E-MAN Services and AT&T Switched Ethernet Services	
	Intrastate services equivalent to	
Intrastate Special Access	the interstate services listed	
_	above as Subject Services	

(N)

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<sup>&</sup>lt;sup>1</sup> OCN PTP, DSRS, GigaMAN®, DecaMAN®, 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.

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

### 25.54.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 54:

(Nx)

(Nx)

(N)

(N)

- (A) In addition to subscribing to, and purchasing Subject Services from, this Contract Offer throughout the Term Period, the Customer must concurrently subscribe to, and purchase service from, the following contract offer: Ameritech Tariff F.C.C. No. 2, Contract Offer No. 207.
- (B) Ameritech Tariff F.C.C. No. 2, Contract Offer No. 207 and this Contract Offer may be referred to as the "Concurrently Subscribed Contract Offers." Any breach or termination of either of the Concurrently Subscribed Contract Offers shall be deemed to be a breach or termination of both of the Concurrently Subscribed Contract Offers.
- (C) During the month prior to the Customer's subscription to Concurrently Subscribed Contract Offers, the Customer must have been purchasing DS1 and DS3 interstate special access services from each of the Qualified Companies.
- (D) 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.
- (E) 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, 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.
- (x) Filed under the authority of Special Permission No. 11-017 of the F.C.C.

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25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

### 25.54.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 54:

# (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 he 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), or purposes of determining the MARC for each Term Year thereafter.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

### 25.54.4 Terms and Conditions (Cont'd)

### (B) Term Period

The term of this Contract Offer (Term Period) shall be five (5) years commencing on the date the Telephone Company receives the signed Letter of Subscription from the Customer ("Subscription Date"). This Contract Offer, including, without limitation, the issuance of credits pursuant to this Contract Offer, shall terminate upon the expiration of the Term Period. This Contract Offer is not renewable.

- (C) Purchases 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. 39, set forth in Sections-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Testing Maintenance and Additional Labor Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Any such modifications will not change the Terms and Conditions of Contract Offer No. 54.
- (D) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5 -Ordering Options for Switched Access and Special Access Services.
- (E) Existing Subject Services (as defined in Section 25.54.2(A(1)) shall be eligible for credits under this Contract Offer beginning on the Subscription Date. New Subject Services (as defined in Section 25.54.2(A)(2)) shall be eligible for credits when placed in service.
- (F) If the Customer subscribed to SNET Contract Offer Nos. 48 and/or 52 prior to the effective date of this Contract Offer, then: (i) this Contract Offer shall supersede Contract Offer Nos. 48 and/or 52, effective on the Subscription Date; (ii) SNET Contract Offer Nos., 48 and/or 52 shall be terminated without termination liability; and (iii) all Subject Services within the meaning of Contract Offer Nos. 48 and/or 52 and being purchased under either of the Contract Offers as of the Subscription Date shall become Existing Subject Services under this Contract Offer, as defined in Section 25.54.2(A).

(加)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

# 25.54.4 Terms and Conditions (Cont'd)

### (G) Service Term

Each Subject Service shall be subject to a twelve (12) month service 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, if any, according to the rates, terms and conditions applicable to a twelve (12) month term commitment pursuant to Section 7.16.4, 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 commitment (that is, its term commitment
  prior o 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.

# (H) <u>Incentive Credits</u>

- (1) DS1 Incentive Credits. Telephone Company will issue credits to the Customer in the amount of any termination liability charges paid by the Customer as a result of the disconnection of DS1 Subject Services during the Term Period, provided that all Terms and Conditions of this Contract Offer have been met.
- (2) DS3 Incentive Credits. The Telephone Company will issue credits to the Customer in the amount of any termination liability charges paid by the Customer as a result of the disconnection of DS3 Subject Services during the Term Period, provided that any such DS3 Subject Service has been in service for a minimum of six (6) months as of the time of termination, and all Terms and Conditions of this Contract Offer have been met.
- (3) Any applicable credits shall be applied to Customer's bill sixty (60) days after termination of the circuit.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

### 25.54.4 Terms and Conditions (Cont'd)

### (I) Technology Upgrade

As long as the Customer meets all Terms and Conditions in Section 25.54.4, the Customer may purchase services which offer features based on upgraded technology from the Telephone Company to replace one or more Subject Services listed in Section 25.54.2, Table A. Once eligibility is determined, the Telephone Company shall waive termination penalties provided that the desired upgraded technology:

- (1) Is comparable to existing Subject Services;
- (2) Provides substantially the same functionality as the existing Subject Services;
- (3) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer; and
- (4) Any Existing Subject Service must have been in service for a minimum of twelve (12) months from its installation date to its disconnection date.
- (J) Commingling is defined in SNET Tariff F.C.C. No. 39, Section 2.13. Commingling of Subject Services provided pursuant to this Contract Offer is prohibited.

### 25.54.5 Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) throughout the Term Period. Each period of three hundred sixty-five (365) days during the Term Period shall be known as a "Term Year," and shall begin on the Subscription Date. Revenue contributing to the MARC shall consist of gross billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (other than those issued under the Concurrently Subscribed Contract Offers) and any adjustments for overbilling, under-billing and billing dispute settlements with respect to MARC Eligible Services ("MARC Revenue"). As clarification, but not to modify the foregoing sentence, Non-Recurring Charges (NRCs) shall not be included in MARC Revenue. The MARC will be as provided in Section 25.54.5(A).

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

# 25.54.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

### (A) Minimum Annual Revenue Commitment

For the first year of the Term Period, the Customer's MARC shall be the greater of (i) five hundred thousand dollars (\$500,000), or (ii) four (4) times the Customer's Monthly Recurring Revenue for MARC Eligible Services for the most recent three (3) months, rounded to the nearest thousand dollars (\$1,000). For subsequent years during the Term Period, MARC shall be equal to the MARC applicable in the first year of the Term Period.

# (B) Failure to Achieve the MARC

If, for any Term Year, the Customer fails to satisfy the MARC for any year of the Term Period, the Customer must choose one of the options below:

- (1) The Customer shall pay a True-Up Payment as provided in Section 25.54.5 (C), below; or
- (2) This Contract Offer will be terminated, in which case the Customer must pay termination liability charges as set forth in Section 25.54.9, following.

### (C) Annual True-Up

The Telephone Company shall conduct an Annual True-Up as of the end of each Term Year. If, for any Term Year, the Customer's MARC Revenue is less than the MARC applicable during that Term Year, the Telephone Company will notify the Customer, and the Customer will be required to make a True-Up Payment equal to the difference between the Customer's MARC Revenue and the MARC for the relevant Term Year. The True-Up Payment will be due sixty (60) days after the Telephone Company provides notice to the Customer. The True-Up Payment will be calculated as follows:

Annual MARC - MARC Revenue = Amount of True-Up Payment

If the Customer fails to make a True-Up payment to the Telephone Company when due, the Customer shall be deemed to have terminated this Contract Offer and termination charges will apply, as set forth in Section 25.54.9, below.

(N)

# 25. Pricing Flexibility Contract Offerings (Cont'd)

### (N)

# 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

# 25.54.6 Rates

- (A) Table D, below, contains the effective rates for Subject Services under this Contract Offer No. 54. Any rate elements not listed in Table D will be provided at the applicable rates in SNET Tariff F.C.C No, 39, Section 7. Each circuit element (Channel Termination / Local Distribution Channel (LDC) and Mileage) must be located entirely in the MSAs listed in Section 25.54.2(A) to be eligible for these rates.
- (B) The Telephone Company will initially bill the Customer according to the otherwise applicable twelve (12) month Optional Payment Plan MRCs ("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 Table 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 D - Rates

Rate Elements	Applicable USOC	MRC
DS3 Local Distribution Channel (LDC) w/electrical Interface	TZ4BX	\$807.50
DS3 Channel Mileage Termination (CMT) - Per Point of Termination-	1YBBX	\$232.75
DS3 Channel Mileage-Per Mile	1YBBX	\$33.15
DS3 Interconnection-Central Office Multiplexing	QM3XX	\$427.50
DS1 Channel Termiation	TZ4AX	\$113.00
DS1 Channel Mileage 0 miles	1YBAX	(Bundled Rate)
Channel Terminatin	TZ4AX	\$185.00
DS1 Channel Mileage 1-10 miles (Fixed and per mile) LDC	1YBAX	(Bundled Rate)
Channel Termination	TZ4AX	\$225.00
DS1 Channel Mileage 11-20 miles (Fixed and per mile) LDC	1YBAX	(Bundled Rate)

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25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

### 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

#### 25.54.6 Rates (Cont'd)

- (C) The Telephone Company shall waive the following Non-Recurring charges (NRCs) associated with the purchase of Subject Services:
  - (1) Design and Central Office Connection Charge per Circuit, Section 7; and
  - (2) Customer Connection Charge per termination, Section 7.

#### 25.54.7 Assignment/Transfer/Successors

- (A) Neither party shall assign or otherwise transfer without the prior written consent of the other party (which consent will not be unreasonably withheld or delayed) this Contract Offer No. 54. Customer may, without the Telephone Company's consent, but upon notice to the Telephone Company, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 54 to an Affiliate, but Customer will remain financially responsible for the performance of such obligations. The Telephone Company may, without Customer's consent, assign in whole or relevant part, its rights and obligations under this Contract Offer No. 54 to an Affiliate, or subcontract to an Affiliate or a third party for work to be performed under this Contract Offer No. 54, but the Telephone Company will in each such case remain financially responsible for the performance of such obligations. "Affiliate" of a party means any entity that controls, is controlled by, or is under common control with, such party.
- (B) Any assignment, other than as permitted by this Section 25.54.7(A), is void.

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

#### 25.54 Contract Offer No. 54 - DS1/DS3 Service Offer (Cont'd)

#### 25.54.8 Mergers/Acquisitions

All provisions of this Contract Offer No. 54 shall continue in full force and in effect, not withstanding 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.54 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.

#### 25.54.9 Termination Liability

Termination liability language, described below, applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39, Section 2.11.1.1B(a). If the Customer terminates this Contract Offer before the completion of the Term Period for any reason, or fails to meet any of the eligibility criteria or any of the Terms and Conditions of this Contract Offer, the Customer must pay the Telephone Company termination liability charges as described in this Section. These charges shall become due as of the effective date of the termination. The Customer must provide written notification to the Telephone Company sixty (60) days prior to the desired date of termination of the Contract Offer.

The Customer's termination liability charges shall be equal to: (i) fifty percent (50%) of the difference between the MARC Revenue and the MARC for the Term Year in which termination occurs, plus (ii) fifty percent (50%) of the MARC for the remaining Term Years in the Term Period and (iii) any Incentive Credits per Section 25.54.4.H paid to Customer prior to termination.

50% (MARC - MARC Revenue) + 50% (Annual MARC x years remaining) + 100% (incentive credits paid to Customer) = Termination Liability Charge

### Example:

The Customer terminates the contract at the end of the second year of the Term Period and has three (3) years remaining in the Term Period.

The Year 2 MARC is \$500,000 and MARC Revenue (per the Annual True Up) is \$400,000. The termination liability charge will be as follows:

50% x (\$500,000 - \$400,000) + 50% x (\$500,000 x 3) = \$800,000 Termination Liability Charge

(N)

(N)

#### ACCESS SERVICE

#### 25. Pricing Flexibility Contract Offerings

### 25.55 Contract Offer No. 55 - DS1 Service Offer

#### 25.55.1 General Description

This DS1 Service Offer (Contract Offer No. 55) is an access services plan that permits Customers who meet the Eligibility Criteria in Section 25.55.3, and the Terms and Conditions in Section 25.55.4, to disconnect Subject Services, as defined in Section 25.55.2, 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.

### 25.55.2 Subject Services

- (A) Contract Offer No. 55 applies to the following pricing flexibility qualified access services (contained in the following tariff sections (Subject Services):
  - (1) The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Sections 7 and 24 DS1 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 SNET Tariff F.C.C. No. 39, Section 24. 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.
- (C) All terms and conditions for Subject Services are governed by their respective tariff sections, except as provided in this Contract Offer.

#### 25.55.3 Eligibility Criteria

The following eligibility criteria must be met to subscribe to this Contract Offer No. 55:

(A) The Customer must be purchasing, as of the Subscription Date, no fewer than one hundred fifty (150) and no more than two hundred ten (210) DS1 special access circuits from the Telephone Company that terminate at Qualified Cell Sites.

(N)

(N)

(N)

#### ACCESS SERVICE

### 25. Pricing Flexibility Contract Offerings (Cont'd)

25.55 Contract Offer No. 55 - DS1 Service Offer (Cont'd)

#### 25.55.4 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 SNET Tariff F.C.C. No. 39, Section 2.13) of Subject Services provided pursuant to this Contract Offer No. 55 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 Ethernetbased service<sup>1</sup> provided to the Customer by the Telephone Company at the same Qualified Cell Site (Replacement Service).
- 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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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

25.55 Contract Offer No. 55 - DS1 Service Offer (Cont'd)

25.55.4 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 Customer Number associated with this Contract Offer on all disconnect orders for replaced Subject Services.

#### 25.55.5 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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)

(N)

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

25.55 Contract Offer No. 55 - DS1 Service Offer (Cont'd)

#### 25.55.5 Assignment/Transfer

(C) If the information required to review the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 25.55.5 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.

### 25.55.6 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.

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Effective: July 26, 2012

Issued: July 25, 2012

### 25. Pricing Flexibility Contract Offerings

(N)

## 25.56 Contract Offer No. 56 - Special Access Offer

# (N)

### 25.56.1 General Description

(Nx)

This Special Access Service Offer (Contract Offer No. 56) is an access services 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. 28; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 161; BellSouth Telecommunications, LLC (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 78; Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 211, and Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73 Contract Offer No. 182 (collectively, with this Contract Offer No. 56, "Concurrently Subscribed Contract Offers"). NBTC, PBTC, Ameritech, BellSouth and SWBT, with the Telephone Company, shall be identified herein as the "Qualified Companies."

(Nx)

This Contract Offer permits Customers that meet the Eligibility Criteria in Section 25.56.3, and the Terms and Conditions in Section 25.56.4, to disconnect Subject Services, as defined in Section 25.56.2, without incurring termination liability charges.

(N)

This Contract Offer is available for subscription from October 27, 2012 through November 27, 2012. This Contract Offer is not renewable.

### 25.56.2 Subject Services

- (A) Contract Offer No. 56 applies to pricing flexibility qualified access services contained in the following tariff sections (Subject Services):
  - (1) The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, Sections 7 and 24 - DS1 and DS3 High Capacity Service.

(N)

(x) Issued under the authority of Special Permission No. 12-034 of the F.C.C.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.56 Contract Offer No. 56 - Special Access Offer (Cont'd)

#### 25.56.2 Subject Services (Cont'd)

(A) Subject Services must be located in Metropolitan Statistical Areas (MSAs) for which the Telephone Company has been granted pricing flexibility relief, as listed in SNET Tariff F.C.C. No. 39, Section 24, and in the 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, the Customer may, at its option, include Subject Services in those MSAs in this Contract Offer.

Table A

MSA	
Bridgeport	CT
Hartford	CT
New Haven	CT
New London	CT

(B) All terms and conditions for Subject Services are governed by their respective tariff sections, except as provided in this Contract Offer.

#### 25.56.3 Eligibility Criteria

The following eligibility criteria must be met to subscribe to this Contract Offer No. 56 discounted rates:

(N)

(Nx)

(A) Concurrently Subscribed Contract Offers.

Customer must concurrently subscribe to the following Contract Offers:

PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 161;

NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 28;

BellSouth Tariff F.C.C. No. 1, Section 25, Contract Offer No. 78;

SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 182; and Ameritech Tariff F.C.C. No. 2, Section 22,

(Nx)

(x) Issued under the authority of Special Permission No. 12-034 of the F.C.C.

Contract Offer No. 211.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

## 25.56 Contract Offer No. 56 - Special Access Offer (Cont'd)

### 25.56.3 Eligibility Criteria (Cont'd)

- (A) During the month prior to the Customer's subscription to this Contract Offer, the Customer must have been operating no fewer than twenty-two thousand (22,000) and no more than twenty-seven thousand (27,000) cell sites, which must be activated and providing service within the operating territories of the Qualified Companies. 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."
- (B) 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.
- (C) The Customer must be purchasing, as of the Subscription Date, no fewer than two hundred thousand (200,000) and no more than two hundred and twenty thousand (220,000) DS1 special access circuits from the Qualified Companies that terminate at Qualified Cell Sites.
- (E) The Customer must be purchasing, as of the Subscription Date, no fewer than nineteen thousand (19,000) and no more than twenty thousand (20,000) DS3 special access circuits from the Qualified Companies that terminate at Qualified Cell Sites.

(N)

Contract Offer No. 56 - Special Access Offer (Cont'd)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.56.4 Terms and Conditions

- (A) Term Period. The term of this Contract Offer (Term Period) shall be eighty-four (84) months, beginning on the date the Telephone Company receives a signed Letter of Subscription (LOS) from the Customer (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 for which the Customer receives termination liability waivers or credits under this Contract Offer shall not receive similar termination liability waivers or credits under 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.
- (D) The Customer may not be subscribed to any volume or revenue plans under the SNET Tariff F.C.C. No. 39.
- (E) Commingling (as defined in SNET Tariff F.C.C. No. 39, Section 2.13) of Subject Services provided pursuant to this Contract Offer No. 56 is prohibited.
- (F) All traffic carried over Subject Services must originate or terminate at Mobile Switching Centers (MSCs) operated by, or on behalf of, the Customer.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 56 Contract Offer No. 56 - Special Access Offer (Cont'd)

### 25.56.4 Terms and Conditions (Cont'd)

- (A) The Customer may disconnect DS1 Subject Services without termination liability charges, provided that the conditions set forth below have been met. If such termination liability charges are billed, the Telephone Company will issue credits to offset those charges in arrears, on a quarterly basis.
  - (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<sup>1</sup> provided to the Customer by the Telephone Company at the same Qualified Cell Site, with Ethernet<sup>1</sup> 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.

(N)

<sup>&</sup>lt;sup>1</sup> 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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.56 <u>Contract Offer No. 56 - Special Access Offer</u> (Cont'd)

### 25.56.4 Terms and Conditions (Cont'd)

(A) 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 (G), above, during the relevant Quarter ("Eligible DS1s"). The Telephone Company will determine the number of Eligible DS1s for the Quarter, divide the number of Eliqible DS1s by twentyeight (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 TLC = DS3 Credit

Example: During Quarter X of the Term Period, the Customer terminates one hundred sixty-five (165) DS1 Subject Services without termination liability, as provided in Section 25.56.6(G). During Quarter X, the Customer also terminates six (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)

(B) The Customer must include the Contract Number associated with this Contract Offer on all disconnect orders for Subject Services.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

## 25.56 <u>Contract Offer No. 56 - Special Access Offer</u> (Cont'd)

### 25.56.5 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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.

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Issued: October 26, 2012 Effective: October 27, 2012

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.56 <u>Contract Offer No. 56 - Special Access Offer</u> (Cont'd)

### 25.56.5 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 25.56.5 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.

### 25.56.6 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)

#### 25. Pricing Flexibility Contract Offerings

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer

(N)

### 25.57.1 General Description

(Nx)

This Access Service Offer (Contract Offer No. 57) 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. 79; 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 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)

(N)

Contract Offer No. 57 requires eligible Customers to satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section 25.57.6. The MARC will consist of recurring revenues from, in the aggregate, all Subject Services and Non-subject Services purchased from The Southern New England Telephone Company ("SNET" or "Telephone Company") and all "Subject Services" and "Non-Subject Services," as defined in the other Concurrently Subscribed Contract Offers described in Section 25.57.4(B) (together referred to as "Contributory Services").

Subject Services provided by the Telephone Company are described in Section 25.57.3.

This Contract Offer No. 57 is available for subscription only from February 12, 2013 through March 12, 2013. This offer is not renewable.

### 25.57.2 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 25.57.4(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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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

### 25.57.3 <u>Contributory Services shall be comprised of Subject</u> 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 Sections 7.16.4 or 24.5.2.6, 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 25.57.4(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. 57.

### (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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

- 25.57 Contract Offer No. 57 Special Access Offer (Cont'd)
  - 25.57.3 Contributory Services shall be comprised of Subject
    Services and Non-Subject Services as described below:
    (Cont'd)
    - (E) <u>Non-Subject Services</u> (Cont'd)

Table B - Non-Subject Services

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 <sup>1</sup>

### 25.57.4 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 57:

(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 SNET Tariff F.C.C. No. 39, Section 24. 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)

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.

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

(N)

#### 25.57.4 Eligibility Criteria (Cont'd)

3.T \

(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 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)

(N)

- (C) The Customer must be purchasing, as of the Subscription Date (as defined in Section 25.57.5(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.
- (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.

(N)

x - Issued under the authority of Special Permission No. 13-001 of the F.C.C.

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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/quidebook.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.4 Eligibility Criteria (Cont'd)

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.

### 25.57.5 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 57:

(A) Term Period. The term of this Contract Offer No. 57 (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)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.5 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 Optional Payment Plan ("OPP"). 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 Optional Payment Plan as described in SNET Tariff F.C.C. No. 39, Sections 7.16.4 or 24.5.2.6, 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 7.16.4 or 24.5.2.6 for DS1 and DS3 Subject Services, unless the Customer selects another applicable Optional Pricing Plan or other applicable rate, or disconnects the service.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.5 Terms and Conditions (Cont'd)

- (C) 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.
- (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 SNET Tariff F.C.C. No. 39 (Sections
  2 General Conditions, 5 -Ordering Conditions,
  and 13 Labor and 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. 57.
- (G) Commingling is defined in SNET Tariff F.C.C. No. 39, Section 2.13. Commingling of Subject Services provided pursuant to this Contract Offer No. 57 is prohibited.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.5 Terms and Conditions (Cont'd)

- Termination Liability Waiver. The Telephone (H) 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:
  - (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.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.5 Terms and Conditions (Cont'd)

- Termination Liability Waiver for Ethernet<sup>1</sup> (I)Upgrade. In addition to the provisions of Section 25.57.5(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-based¹ 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<sup>1</sup> 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 replacement service.
  - (2) The Ethernet-based¹ replacement service must be at the same Customer location as the terminated Subject Service.
  - (3) The Ethernet-based¹ 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.

(N)

<sup>&</sup>lt;sup>1</sup> 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.

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.6 Minimum Annual Revenue Commitment (MARC)

- The Customer shall be subject to a Minimum (A) 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 25.57.5(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.

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

### 25.57.7 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 Optional Payment Plan Monthly Recurring Charges (OPP 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 C, below, will apply to New Subject Services.

Table C

	1	
DS1		
Description	USOC	Rate
Standard Channel Termination - Per Point of Termination	TZ4AX	\$126.78
Channel Mileage- Mileage Band - Miles - Over 0 Miles	1YBAX	\$52.49
Channel Mileage Per Mile - Mileage Band - Miles - Over 0 Miles	1YBAX	\$13.73
Multiplexing Per Arrangement	QMVXX	\$165.54
DS3		
Description	USOC	Rate
Standard Channel Termination - Per Point of Termination	TZ4BX	\$922.50
Channel Mileage- Mileage Band - Miles - Over O Miles	1YBBX	\$427.50
Channel Mileage Per Mile - Mileage Band - Miles - Over 0 Miles	1YBBX	\$49.50
Multiplexing Per Arrangement	QM3XX	\$472.50

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#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

# 25.57.7 <u>Monthly Recurring Charges (MRCs) - New Subject Services</u> (Cont'd)

#### (B) Non Recurring Charges (NRCs)

- (1) Non-recurring charges (NRCs) will apply to Existing Subject Services, as provided in Sections 7.16.4 and 24.5.2.6.
- (2) NRCs will apply to New Subject Services, as provided in Sections 7.16.4 and 24.5.2.6, except as provided in Table D, below.

#### Table D

Rate element - DS1 New		
Subject Services ONLY	USOC	NRC Charge
Rollover charges - per DS1	NRBWX	\$50.00
Rearrangement	NRBWA	\$50.00

### (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.

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

### 25.57.8 <u>Assignment/Transfer/Successors</u>

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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 25.57.8 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.

(N)

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.57 Contract Offer No. 57 - Special Access Offer (Cont'd)

#### 25.57.9 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.

### 25.57.10 Termination

Termination liability, as described below, applies in lieu of termination liability as described in SNET Tariff F.C.C. No. 39. 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)

#### 25. Pricing Flexibility Contract Offerings

(N)

#### Contract Offer No. 58 - Access Service 25.58

### (N)

#### 25.58.1 General Description

The Special Access Service Offer (Contract Offer No. (Nx) 58, or Contract Offer) is a Minimum Annual Revenue Commitment plan 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. 185; Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Contract Offer No. 29; Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Contract Offer No. 164; BellSouth Telecommunications, (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 80; and Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Contract Offer No. 215 (collectively, with this Contract Offer No. 58, the "Concurrently Subscribed Contract Offers"). NBTC, PBTC, SWBT, BellSouth, Ameritech and the Telephone Company may be identified as the "Qualified Companies."

(Nx)

The Concurrently Subscribed Contract Offers require (N) the Customer to make and satisfy a Minimum Annual Revenue Commitment (MARC), as defined in Section The MARC consists of certain recurring 25.58.5. revenues from "MARC-Eliqible Services" as defined in Section 25.58.5 (A), below for Services listed under this Contract Offer, purchased from the Qualified Companies, as provided in the Concurrently Subscribed Contract Offers

The MARC-eligible services provided by the Telephone Company are described in Section 25.58.2.

58 will be available Contract Offer No. subscription only from March 30, 2013 through April 30, 2013. This offer is not renewable.

#### 25.58.2 Subject and Non-Subject Services

Those services for which recurring charges are included in MARC calculations under this Contract Offer (MARC-eliqible services) are: (i) Subject Services, listed in Table B, below; and (ii) Non-Subject Services, listed in Table C, below. Subject Services and Non-Subject Services must be provided by the Telephone Company.

(N)

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

### 25.58 Contract Offer No. 58 - Access Service (Cont'd)

### 25.58.2 Subject and Non-Subject Services (Cont'd)

(A) Contract Offer No. 58 is available for qualified special access services located in the MSAs for which the Telephone Company has been granted Phase II pricing flexibility, as listed in SNET Tariff F.C.C. No. 39, Section 24. During the Term Period of this Contract Offer No. 58, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24 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. 58.

### (B) 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), including all rate elements that qualify for either Phase I or Phase II pricing flexibility.	All Voice Grade (VG),DS0, DS1 and DS3 special access services or rate elements that are eligible for pricing flexibility

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

### 25.58 Contract Offer No. 58 - Access Service (Cont'd)

### 25.58.2 Subject and Non-Subject Services (Cont'd)

(C) 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) or 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 B
Broadband interstate special access	Optical Carrier Network (OCN) Point- to-Point, Dedicated SONET Ring Service (DSRS), Multi- Service Optical Network (MON) Ring Service, GigaMAN®, DecaMAN®, Opt-E-MAN®, WaveMANSM, and AT&T Switched Ethernet Service

(D) 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. All terms and conditions for those MARC-Eligible Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.

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<sup>&</sup>lt;sup>1</sup> Optical Carrier Network (OCN) Point-to-Point, Dedicated SONET Ring Service (DSRS), GigaMAN<sup>®</sup>, DecaMAN<sup>®</sup>, WaveMAN<sup>SM</sup>, 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 Telephone Company. Rates, terms and conditions associated with de-tariffed services are available at www.att.com/guidebook.

#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(Nx)

(N)

#### Contract Offer No. 58 - Access Service (Cont'd) 25.58

#### Subject and Non-Subject Services (Cont'd) 25.58.2

(E) Subject Services and Non-Subject Services shall also include any additional similar or successor services which are provided by the Telephone Company during the Term Period, but which were not available as of the effective date of this Contract Offer No. 58.

#### 25.58.3 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 58: (N)

(A) Concurrently Subscribed Contract Offers. The Customer must concurrently subscribe to the following Contract Offers:

- NBTC Tariff F.C.C. No. 1, Contract Offer No.
- PBTC Tariff F.C.C. No. 1, Contract Offer No. 164;
- SWBT Tariff F.C.C. No. 73, Contract Offer No. 185:
- Ameritech Tariff F.C.C. No. 2, Contract Offer No. 215;
- BellSouth Tariff F.C.C. No. 1, Contract Offer No. 80; and
- SNET Tariff F.C.C. No. 39, Contract Offer No. 58. (Nx)

As of the time of the Customer's subscription to (N) 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 unless such other individually negotiated tariff or agreement expressly refers to the Concurrently Subscribed Contract Offers. For purposes of this Section 25.58.3, tariff discount plans other than pricing flexibility contract tariffs shall not be deemed to be individually negotiated.

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25. Pricing Flexibility Contract Offerings (Cont'd)

25.58 Contract Offer No. 58 - Access Service (Cont'd)

25.58.4 General Terms and Conditions

(N)

(N)

The following terms and conditions apply to this Contract Offer:

- (A) <u>Subscription</u>. To subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The Customer must identify in the LOS 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.
- (B) Term Period. The term of this Contract Offer No. 58 (Term Period) shall be sixty (60) months, beginning on either (i) the first day of the calendar month following the date on which the Letter of Subscription (LOS) is signed by the Customer (Subscription Date) if the Subscription Date is within the last five (5) days of a calendar month, or (ii) if (i) does not apply, the first day of the calendar month in which the Subscription Date occurs. Each successive twelve (12) month period of the Term Period, beginning with the Subscription Date, shall be referred to as a Term Year. The benefits of this Contract Offer, including, without limitation, the accrual of credits pursuant to this Contract Offer, and Customer's obligation to meet the MARC, shall cease upon the expiration of the Term Period.
- (C) Credits earned by the Customer under this Contract Offer No. 58 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 25.58.6, below, and in the analogous sections of the other Concurrently Subscribed Contract Offers.
- (D) MARC-Eliqible Services 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 either party determines that the Customer is purchasing service pursuant to an Other Commitment Agreement, parties will cooperate in good faith to modify or terminate such Other Commitment in a manner consistent with this Contract Offer.

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### 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

## 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.4 General Terms and Conditions

- (E) Credits to be provided under this Contract Offer 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.
- (F) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of SNET Tariff F.C.C. No. 39 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 8-Testing, Maintenance and Additional Labor 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.
- (G) The Customer must maintain an Access Service Ratio of eighty five percent (85%) or greater, calculated as described below, for services purchased by the Customer in the MSAs identified in Section 25.58.2 of the Contract Offer and in the analogous sections of the other Concurrently Subscribed Contract Offers (calculated in the aggregate).

The Access Service Ratio is calculated as follows in the aggregate, for all of the Concurrently Subscribed Contract Offers:

# Access Revenue Access Revenue + Wholesale Revenue

(1) Access Revenue is the Customer's interstate recurring billed revenue, in the aggregate, for all of the Concurrently Subscribed Contract Offers associated with the rate elements defined in Table C, below:

Table C

Service	SNET Tariff F.C.C. No. 39
VG, DS1 and DS3 Services	Sections 7 and 24

(N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.58 Contract Offer No. 58 - Access Service (Cont'd)

### 25.58.4 General Terms and Conditions (Cont'd)

- (G) (Cont'd)
  - (1) Wholesale Revenue is the Customer's recurring billed revenue for associated rate elements, as defined in Table D, below, not included in the interstate tariff(s) and/or the Interstate Access Guidebook.

Table D

Table D	
Service Level	Associated Rate Elements Not Included
	in Interstate Tariff
VG	VG Loop
	VG Entrance Facilities
	VG Interoffice Transport
	VG Cross Connects
	VG Multiplexing
DS0	DS0 Loop
	DS0 Entrance Facilities
	DS0 Interoffice Transport
	DS0 Cross Connects
	DS0 Multiplexing
DS1	4 - Wire Digital Loop
	DS1 Entrance Facilities
	DS1 Interoffice Transport
	DS1 Cross Connects
	DS1 Multiplexing
DS3	DS3 Loop
	DS3 Entrance Facilities
	DS3 Interoffice Transport
	DS3 Cross Connects
	DS1/DS3 Multiplexing
Other	Dark Fiber - Interoffice
Transport	Dark Fiber - Loop
Products	Dark Fiber - Subloop
	Dark Fiber - Cross Connects
	Unbundled Dedicated Transport

(2) 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 under which the Customer obtains service. (N)

### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

### 25.58 Contract Offer No. 58 - Access Service (Cont'd)

### 25.58.4 <u>General Terms and Conditions</u> (Cont'd)

#### (H) Breach and Cure.

If either party breaches any material term of this Contract Offer, and the breach continues unremedied for sixty (60) days after written notice of default, or in case of the Customer's breach of the provisions of Section 25.58.4(H) (Access Service Ratio) one hundred twenty (120) days after written notice of default, the other party may terminate this Contract Offer for cause. If the Customer is in breach of its payment obligations, and fails to make payment in full within thirty (30) days after receipt of written notice of default, the Telephone Company may, at its option, terminate this Contract Offer, terminate any Subject Services, suspend the Customer's ordering capability, and/or require a deposit, advanced payment, or other satisfactory assurances as a condition of the continued effectiveness of this Contract Offer and/or continued provision of Subject Services, except that the Telephone Company will not take any such action as a result of the Customer's non-payment of a charge subject to a timely billing dispute, unless the Telephone Company has reviewed the dispute and determined that the charge is correct. The foregoing sentence does not limit Telephone Company's right to withhold credits, as provided in Section 25.58.4(E). This Contract Offer may be terminated by either party immediately upon written notice if the other party has become insolvent or involved in a liquidation or termination of its business, or adjudicated bankruptcy, or been involved in an assignment for the benefit of its creditors. The Customer shall be liable to the Telephone Company for termination liability charges, as provided in Section 25.58.13. This Section 25.58.4 shall not alter the rights of the Telephone Company in case of interference with, impairment of or unlawful use of service.

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

### 25.58.5 Minimum Annual Revenue Commitment (MARC)

## (A) MARC Establishment

The Customer must satisfy a Minimum Annual Revenue Commitment (MARC) for each Term Year. Calculations related to the MARC (including satisfaction of the MARC) shall be determined according to gross billed recurring charges under Eligible ACNAs, after application of any discounts or credits applicable to those recurring revenues (except Area Commitment Plan credits under the BellSouth Tariff F.C.C. No. 1, credits issued under the Concurrently Subscribed Contract Offers and any circuitspecific monthly recurring charge credits for any broadband services provided under a broadband services agreement with the Qualified Companies, as well as adjustments for overbilling, under billing and billing dispute settlements addressed during the Annual True-up Process only, for MARC-Eligible Services, as defined in the Concurrently Subscribed Contract Offers and purchased under the Eligible ACNAs (collectively, "MARC-Eligible Charges"). MARC-eligible services, as described in the Concurrently Subscribed Contract Offers, are collectively referred as "MARC-Eligible Services." The Customer's MARC-Eligible Charges shall specifically exclude MARC Attainment Credits, non-recurring charges, usage-based charges. The Customer's MARC obligation shall be a continuing obligation during the entire Term Period.

### (B) MARC Calculations

The Customer's MARC for the first year of the Term Period shall be the greater of: (i) ninety five million dollars (\$95,000,000), or (ii) Customer's MARC-Eligible Charges during the three (3) months immediately prior to the Subscription Date, multiplied by four (4), rounded up to the nearest thousand dollars. The MARC for each subsequent Term Year shall be the greater of the MARC-Eligible charges for the last three (3) full calendar months of the previous Term Year multiplied by four (4), rounded up to the nearest thousand dollars or the MARC from the previous Term Year.

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.6 MARC Attainment Credit

(A) The Customer will qualify for MARC Attainment Credits ("MAC") as provided in this Section 25.58.6 if it meets the requirements specified in this Section 25.58.6. The amount of the MAC for which the Customer qualifies will be determined according to the amount of the Customer's MARC-Eligible Charges, as provided in Table E, below, subject to the provisions of this Section 25.58.6.

Each Term Year will be divided into three (3) periods of four (4) consecutive months, for purposes of applying MAC (each such period to be referred to as an "Attainment Credit Period"). During the first two (2) Attainment Credit Periods of each Term Year, the Customer will qualify for a MAC for any Attainment Credit Period during which the Customer's MARC-Eligible Charges are equal to or greater than onethird (1/3) of the MARC that applies during that Term Year. The MAC for the first two (2) Attainment Credit Periods of each Term Year will be calculated by multiplying the Applicable Credit Percentage (as shown in Table E) associated with the "Initial Credit Tier" for that Term Year by the amount of the Customer's MARC-Eligible Charges attributable to Subject Services during that Attainment Credit Period. For the avoidance of doubt, the Applicable Credit Percentage (as shown in Table E) is based on the Term Year 1 MARC for all Term Years, and shall not be adjusted for any increases in the MARC after Term Year 1. The "Initial Credit Tier" for each Term Year will be the Credit Tier for which the MARC for that Term Year falls within the range from the Minimum MARC-Eligible Charges through the Maximum MARC-Eligible Charges associated with that Credit Tier. The MAC for the third (3<sup>rd</sup>) Credit Attainment Period of each Term Year shall be determined according to the "Annual True-Up of MARC Attainment Credits," as described in Section 25.58.6(B), below. If the Customer does not qualify for a MAC for any Attainment Credit Period, no MAC will be issued at the end of that Credit Attainment Period; however, the Customer may be eligible to receive the MAC subsequently, as provided in the "Annual True-Up of MARC Attainment Credits," as described in Section 25.58.6 (B), below.

(N)

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## 25. <u>Pricing Flexibility Contract Offerings</u> (Cont'd)

(N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.6 MARC Attainment Credit (Cont'd)

#### (A) (Cont'd)

Any MAC shall be allocated among the Concurrently Subscribed Contract Offers in proportion to the MARC-Eligible Charges attributable to Subject Services, and billed under each of the Concurrently Subscribed Contract Offers during the relevant Attainment Credit Period. Any MAC will be issued in arrears, within ninety (90) days after the end of the Attainment Credit Period during which the Customer qualified for the MAC.

Example 1: Assume that the Customer's MARC for Term Year 1 is \$100 million. The Initial Credit Tier for Term Year 1 will be Tier 1 (which includes the range from \$100 million to \$109,999,999.99), and the "Applicable Credit Percentage" for the first two Credit Attainment Periods of Term Year 1 will be five percent (5%). During the first Credit Attainment Period of Term Year 1, the Customer's total MARC-Eligible Charges are \$34 million, and the MARC-Eligible Charges attributable to Subject Services are \$20 million. Because the Customer's MARC-Eligible Charges are greater than one-third of the MARC, a MAC will be issued for five percent (5%) of \$20 million, or \$1 million, for the first Credit Attainment Period of Term Year 1.

Example 2: Assume that the Customer's MARC for Term Year 2 is \$110 million. The Initial Credit Tier for Term Year 2 will be Tier 2 (which includes the range from \$110 million through \$120,999,999.99), and the "Applicable Credit Percentage" for the first two Credit Attainment Periods of Term Year 2 will be six percent (6%). During the first Credit Attainment Period of Term Year 2, the Customer's total MARC-Eligible Charges are \$38 million, and the MARC-Eligible Charges attributable to Subject Services are \$25 Because the Customer's MARC-Eligible Charges are greater than one-third of the MARC, a MAC will be issued for six percent (6%) of \$25 million, or \$1.5 million, for the first Credit Attainment Period of Term Year 2.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.6 MARC Attainment Credit (Cont'd)

(A) (Cont'd)

Table E: MARC Attainment Credit Schedule

	MARC Eligible Charges (inclusive)		
Credit Tier	Minimum MARC- Eligible Charges	Maximum MARC- Eligible Charges	Applicable Credit Percentage
1	Term Year 1 MARC	(110% of First Year MARC) minus \$.01	5%
2	110% of Term Year 1 MARC	(110% of Tier 2 Minimum) minus \$.01	6%
3	110% of Tier 2 Minimum	(110% of Tier 3 Minimum) minus \$.01	7%
4	110% of Tier 3 Minimum	(110% of Tier 4 Minimum) minus \$.01	8%
5	110% of Tier 4 Minimum	(110% of Tier 5 Minimum) minus \$.01	9%
6	110% of Tier 5 Minimum	None	10%

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.6 MARC Attainment Credit (Cont'd)

#### (B) Annual True-up Process

(1) Annual Shortfall. If, at the end of any 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 the and the Customer's MARC-Eligible MARC Charges 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 Qualified Companies shall issue to the Customer a credit in the amount, if any, by which the "Minimum Annual MAC" exceeds the MAC previously issued to the Customer during that Term Year. The "Minimum Annual MAC" is the product of (a) the Applicable Credit Percentage associated with the Initial Credit Tier for that Term Year times (b) the MARC-Eligible Charges attributable to Subject Services during the relevant Term Year. Notwithstanding the foregoing, the Qualified Companies may, with the agreement of the Customer, offset all or part of the credit amount against all or part of the Annual Shortfall, in lieu payment of the full amount of the Annual Shortfall. In either case, the credit issued to the Customer may be referred to as a "Shortfall True-Up Credit." Any Shortfall True-Up Credit 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.

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#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.6 MARC Attainment Credit (Cont'd)

#### (B) Annual True-up Process

(1) Annual Shortfall. (Cont'd)

#### Example:

Assume that, the Customer's Term Year 1 MARC was \$100 million, and its Term Year 2 MARC is \$110 million, so the Initial Credit Tier is Tier 2, and the Applicable Credit Percentage is six percent (6%). Also assume that, during Term Year 2, the Customer receives \$2 million in MAC during the first two Credit Attainment Periods of Term Year 2 and that, as of the end of Term Year 2, the Customer's MARC-Eligible Charges are \$109 million, of which the amount attributable to Subject Services is \$80 million. The Customer must pay an Annual Shortfall of \$1 million. Upon payment of that amount, the Qualified Companies will issue a Shortfall True-Up Credit to the Customer in the amount of \$2.8\$ million (6% x \$80million = \$4.8 million, minus \$2 million in MAC previously issued during Term Year 2). In the alternative, with the Customer's agreement, the Qualified Companies could instead offset the \$1 million Annual Shortfall against the \$2.8 million credit amount, and issue to the Customer a Shortfall True-Up Credit of \$1.8 million.

(1) Annual True-Up of Attainment Credits. 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 (a "MAC Achievement Credit") in the amount by which the "Achieved Annual MAC" exceeds the MAC previously issued to the Customer during that Term Year. "Achieved Annual MAC" is equal to the product of (a) the Applicable Credit Percentage for the Credit Tier associated with the amount of the Customer's MARC-Eligible Charges for that Term Year times (b) the MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year. Any MAC Achievement Credit will be allocated among the Qualified Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services during the relevant Term Year.

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.6 MARC Attainment Credit (Cont'd)

#### (B) Annual True-up Process

(1) Annual True-Up of Attainment Credits. (Cont'd)

#### Example:

Assume that the Customer's Term Year 1 MARC was \$100 million, and its Term Year 2 MARC is \$110 million. Also assume that the Customer's MARC-Eligible Charges for Term Year 2 are \$123 million, of which the amount attributable to Subject Services is \$80 million, and that the Customer has received \$2 million in MAC during the first two Credit Attainment Periods of Term Year 2. The Credit Tier applicable in Term Year 2 will be Tier 3 (which applies if the Customer's MARC-Eligible Charges fall in the from \$121,000,000 through \$133,099,999.99), and the Applicable Credit Percentage is seven percent (7%). Qualified Companies will issue a Achievement Credit in the amount of \$3.6 million (7% x \$80 million = \$5.6 million, minus \$2 million in MAC previously issued in Term Year 2).

## 25.58.7 Rate Stability Credit

If the Telephone Company increases the Monthly Recurring Charges (MRCs) applicable to Subject Services in Phase II pricing flexibility MSAs, as listed in SNET Tariff F.C.C. No. 39, Section 24, the Telephone Company will issue credits to the Customer to offset the increase in MRCs. The amount of such credits, if applicable, will be equal to the difference between the increased MRCs and the MRCs in effect as of the Subscription Date, during the period to be covered by the credits. Any such credits will be issued concurrently with MAC, as provided in Section 25.58.6, provided, however, that following shall not be considered such a rate increase: (i) any rate change resulting from a grant of Phase II pricing flexibility for any MSA subject to this Contract Offer, or (ii) any change in applicable charges due to the expiration of a term commitment or payment plan.

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.8 Service Level Assurance

- Service Level Assurance (SLA). The Customer will be eligible for additional credits if certain Service Level Assurance (SLA) benchmarks are not achieved by the Qualified Companies, as provided SLA Benchmark measurements will be calculated in the aggregate, for all DS1 and DS3 Subject Services provided to the Customer by the Qualified Companies, for each Term Year. 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 both DS1 and DS3 services on a combined basis. SLA 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)

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(N)

#### ACCESS SERVICE

## 25. Pricing Flexibility Contract Offerings (Cont'd)

### 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.8 Service Level Assurance (Cont'd)

(B) SLA Measurements and Benchmarks. If the Qualified Companies fail to achieve the benchmarks set forth in Table F, below, SLA Credits shall apply as provided in Section 25.58.8(C), below.

Table F - SLA Measurements and Benchmarks

Measurement	Benchmark
MTTR	4.5 Hours
On Time Delivery	95%
New Circuit Failure Rate	4.5%
Repeat Reports	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 measurements set forth in this Contract Offer. If the Qualified Companies fail to achieve the benchmarks in this Contract Offer, the Qualified Companies will issue SLA Credits to the Customer, as set forth in Table G, 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, will be allocated among the Qualified and Companies according to the amounts of MARC-Eligible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year.

Table G - SLA Performance Credits

	Credit if Benchmark	
	Not Achieved Per	
Measurement	Term Year	
MTTR	\$100,000	
On Time Delivery	\$100,000	
New Circuit Failure Rate	\$100,000	
Repeat Reports within 30	\$100,000	
days		

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.9 Termination Liability Credit.

The Qualified Companies will bill, and the Customer shall pay termination liability charges as they come due in accordance with applicable tariffs. The Qualified Companies will issue credits for otherwise applicable termination liability charges for moves and/or disconnections of nonchannelized DS1 and/or non-channelized DS3 Subject Services located in pricing flexibility MSAs, which circuits connect to end user locations, up to the maximum credit amounts set forth in Table H, below. A single maximum Termination Liability Credit will apply per Term Year, for the Qualified Companies in the aggregate. In the event that termination liability charges for any moves and/or disconnections eliqible for credits under this provision are billed by the Qualified Companies, the Telephone Company will issue credits for such charges once every four months up to the maximum Termination Liability Credit amount shown in Table H, below, within ninety (90) days after the end of the four (4) month period. Termination Liability Credits will be allocated among the Qualified Companies according to the amounts of MARC-Eliqible Charges attributable to Subject Services and billed by the Qualified Companies during the relevant Term Year.

Subject Services eligible for termination liability waivers under the Concurrently Subscribed Contract Offers shall not be eligible for similar termination liability waivers under any other pricing flexibility contract offer, promotional offering, discount plan or other arrangement.

- (A) Any DS1 Subject Service must have been in service for a minimum of one (1) month from its original installation date.
- (B) Any DS3 Subject Service must have been in service for a minimum of one (1) year from its original installation date.

Table H: Termination Liability Credit

Term Year	If MARC is	Maximum Credit in Term Year
1	Term Years 1 MARC	\$2,000,000
2 through 5	110% of Term Year 1 MARC	\$2,500,000
2 through 5	120% of Term Year 1 MARC	\$3,000,000
2 through 5	130% of Term Year 1 MARC	\$3,500,000
2 through 5	140% of Term Year 1 MARC	\$4,000,000
2 through 5	150% of Term Year 1 MARC	\$4,500,000

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.10 Non-Recurring Charge Credit

The non-recurring charges (NRCs) set forth in SNET FCC Tariff Section 39, Parts 5, 7, 8 and 24, shall apply to Subject Services provided under this Contract Offer, subject to this Section 25.58.10.

- (A) The Qualified Companies shall establish on behalf of the Customer a credit pool in the amount of two million seven hundred fifty thousand dollars (\$2,750,000) for each Term Year to be applied against NRCs otherwise applicable to certain Subject Services during the Term Period (NRC Credit Pool). The credit pool will be available only for the reimbursement of NRCs associated with the following USOCS: (i) TZ4AX (for DS1 Subject Services); and (ii) TZ4BX (for DS3 Subject Services). NRC Credits shall be applied against NRCs associated with installations or Notwithstanding moves of Subject Services. anything to the contrary in the foregoing sentence, NRC Credits shall not be applied against: (i) NRCs subject to waivers or credits other than those provided under this Section 25.58.10; (ii) Special Construction Charges; or (iii) termination liability, shortfall, true-up or other charges resulting from customer's failure to satisfy a term, revenue or volume commitment.
- (B) The Qualified Companies will bill in accordance with SNET Tariff F.C.C. No. 39, Parts 5, 7, 13 and 24, and the Customer shall pay NRCs as they come due. The Qualified Companies will review billing for such NRCs after each four (4) month period, and will issue credits to the Customer against all such NRCs billed within such Term Year up to the maximum amount of two million seven hundred fifty thousand dollars (\$2,750,000) for each Term Year. Non-Recurring Charge Credits, if any, will be issued no later than ninety (90) days after the end of each four (4) month period.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.10 <u>Non-Recurring Charge Credit</u> (Cont'd)

(C) Non-Recurring Charge Credits shall apply only to the installation of new DS1 and DS3 Subject Services in MSAs eligible for pricing flexibility. Non-Recurring Charge Credits shall not apply to Access Order Charges, or the substitution, change or rearrangement of any facilities used in providing service under this tariff. The credit pool will be available for reimbursement of NRCs associated with the DS1 USOC: TZ4AX, and with the DS3 USOC TX4BX.

### 25.58.11 Assignment/Transfer/Successors

- (A) Subject to the provisions of Section 25.58.12, 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.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

#### (N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

# 25.58.11 <u>Assignment/Transfer/Successors</u>

- (A) (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 25.58.11(A) 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.

## 25.58.12 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, and existing or new services purchased by such other company may not be included in, or purchased under, this Contract Offer. 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.

### 25.58.13 Termination Liability Charges

(A) Termination liability charges will apply to Subject Services if, and to the extent, such charges apply according to any applicable provisions of SNET Tariff F.C.C. No. 39. Termination liability charges apply to this Contract Offer, in addition to any termination liability charges that may apply to Subject Services, as provided in this Section 25.58.13.

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.13 Termination Liability Charges (Cont'd)

#### (A) (Cont'd)

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 58 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. 58, 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. 58 shall be terminated (if not already terminated) and the Customer shall pay a termination liability charge equal to the MARC Termination Charge plus the aggregate of the following: (as defined below), if any, (i) the "Pro-rated True-Up Amount" (as defined below), if any, and (ii) the last two (2) MACs earned by the Customer prior to termination. However, if such earned MACs have not yet been issued by the Telephone Company, the Customer shall not repay such MACs. Instead, any unissued MAC will not be issued.

- (B) The MARC Termination Charge shall be equal to one of the following, as applicable:
  - (1) If this Contract Offer is terminated in Term Year 1, 10 percent of the MARC for the remaining portion of Term Year 1, plus 10 percent of the MARCs for the remaining years of the Term Period (determined using the MARC for Term Year 1 as the MARC for each of Term Years 2-5);
  - (2) If this Contract Offer is terminated in Term Year 2, 12.5 percent of the Term Year 2 MARC for the remaining portion of Term Year 2, plus 12.5 percent of the MARCs for the remaining years of the Term Period (determined using the MARC for Term Year 2 as the MARC for each of Term Years 3-5);

(N)

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#### 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.58 Contract Offer No. 58 - Access Service (Cont'd)

#### 25.58.13 Termination Liability Charges (Cont'd)

- (A) (Cont'd)
  - (3) If this Contract Offer is terminated in Term Year 3, 12.5 percent of the Term Year 3 MARC for the remaining portion of Term Year 3, plus 12.5 percent of the MARCs for the remaining years of the Term Period (determined using the MARC for Term Year 3 as the MARC for each of Term Years 4 and 5);
  - (4) If this Contract Offer is terminated in Term Year 4, 12.5 percent of the Term Year 4 MARC for the remaining portion of Term Year 4, plus 12.5 percent of the MARC for the remaining year of the Term Period (determined using the MARC for Term Year 4 as the MARC for Term Year 5); or
  - (5) If this Contract Offer is terminated in Term Year 5, 12.5 percent of the Term Year 5 MARC for the remaining portion of Term Year 5.
- (C) 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 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 Annual 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:

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

## 25.58 Contract Offer No. 58 - Access Service (Cont'd)

## 25.58.13 Termination Liability Charges (Cont'd)

#### (A) (Cont'd)

- (1) by either ten percent (10%) if termination occurs during Term Year 1, or twelve and one half percent (12.5%) 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; and
- (2) if there is a reduction under Section 25.58.13(C)(1), by the amount of any Annual Shortfall charges paid for that Term Year, not to exceed the excess amount determined under Section 25.58.13(C)(1), above; or
- (3) if there is no reduction under Section 25.58.13(C)(1), then by the excess of
  - (a) the MARC-Eligible Charges and Annual 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 25.58.13(C)(1) and (2), or the reduction under Section 25.58.13(C)(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.

The Customer will pay in full any termination liability charge within thirty (30) days after notice by the Telephone Company.

(N)

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## 25. Pricing Flexibility Contract Offerings

(N)

### 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer

### 25.59.1 General Description

This Special Access Service Offer (Contract Offer No. 59) is an access discount pricing plan. This Contract Offer permits Customers who meet the Eligibility Criteria in Section 25.59.3, and the Terms and Conditions in Section 25.59.4, to purchase the Subject Services listed in Section 25.59.2 and to receive rates and charges as provided in Section 25.59.5. Subject Services are available under this Contract Offer in the Metropolitan Statistical Areas (MSAs) listed in Section 25.59.2(B).

This Contract Offer is available for subscription from June 1, 2013 through July 1, 2013. This Contract Offer is not renewable.

### 25.59.2 Subject Services

- (A) This Contract Offer applies to pricing flexibility qualified services (Subject Services) contained in the following tariff section: Southern New England Telephone Company ("SNET") Tariff F.C.C. No. 39, Sections 7 and 24 - 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 SNET F.C.C. No. 39, Section 24. During the Term Period of this Contract Offer, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 24, the Customer may, at its option, include Subject Services in those additional MSAs under this Contract Offer No. 59.
- (C) Subject Services must originate or terminate on a wireless carrier's network.

(N)

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer (Cont'd)

### 25.59.2 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-based¹ 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-based¹ services from the Telephone Company. Cell sites that meet these criteria are referred to in this Contract Offer as "Oualified 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.

## 25.59.3 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, Pacific Bell Telephone Company, Southwestern Bell Telephone Company, BellSouth Telecommunications, LLC and Nevada Bell Telephone Company.

(N)

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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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer (Cont'd)

### 25.59.3 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	
Bridgeport, CT	6	12	
Hartford, CT	8	16	
New Haven-West Haven- Waterbury-Meriden, CT	11	22	
New London-Norwich, CT	12	24	

(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
Bridgeport, CT	6	64
Hartford, CT	8	116
New Haven-West Haven- Waterbury-Meriden, CT	11	66
New London-Norwich, CT	12	72

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer (Cont'd)

### 25.59.3 Eligibility Criteria (Cont'd)

- (D) The Customer must be purchasing, as of the Effective Date, Ethernet¹ Services at no fewer than ten thousand (10,000) Qualified Cell Sites from, collectively, the Telephone Company, Ameritech Operating Companies, Pacific Bell 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, representing aggregate recurring billed revenues of no less than one hundred fourteen million dollars (\$114,000,000) during those twelve (12) months, after applicable discounts, credits and adjustments.

### 25.59.4 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 rates in SNET Tariff F.C.C. No. 39, Sections 24.5.2.6.1 and 7.16.4, 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 SNET Tariff F.C.C. No. 39, Section 24.5.2.6.1.
- <sup>1</sup> 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
- <sup>2</sup> 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/

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer (Cont'd)

### 25.59.4 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

#### (C) General Terms and Conditions

- (1) Subject Services are subject to certain rates, charges and general terms and conditions described in SNET Tariff F.C.C. No. 39, Sections 2, 5, 7, 13 and 24, 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 SNET Tariff F.C.C. No. 39, Sections 2, 5, 7, 13 or 24, 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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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 <u>Contract Offer No. 59 - Special Access Wireless DS1 Service Offer</u> (Cont'd)

### 25.59.4 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 Optional Payment Plan ("OPP"), as described in Section 24 of SNET Tariff F.C.C. No. 39, under the longest term commitment available at the time of the Customer's order, or at month-tomonth rates if no OPP 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 24, or to any other ordering obligations inconsistent with this Contract Offer. Rates and charges for Subject Services shall include credits provided under Section 25.59.5 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 SNET Tariff F.C.C. No. 39.

(N)

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## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

- 25.59 <u>Contract Offer No. 59 Special Access Wireless DS1 Service Offer</u> (Cont'd)
  - 25.59.4 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.

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# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 <u>Contract Offer No. 59 - Special Access Wireless DS1 Service Offer</u> (Cont'd)

### 25.59.5 Rates and Charges

(A) The Customer may purchase Subject Services at those Qualified Cell Sites at which Customer has purchased Ethernet-based 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. Telephone Company will initially bill the Customer according to the otherwise applicable OPP or month-to-month MRCs. The Customer will then be credited in an amount equal to the difference between the OPP 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 OPP 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	TZ4AX	\$108	
Fixed Mileage	1YBAX	(Net	
Variable Mileage	1YBAX	Bundled	
_		Rate)	

(B) For any billing period in which a Subject Service is not so multiplexed and connected as required by Section 25.59.5 (A), the Telephone Company will debit the Customer's invoice for an additional seventeen dollars (\$17) for each such Subject Service.

(N)

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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 <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

# 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer (Cont'd)

## 25.59.5 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 ten (10) 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 ten (10) miles per Subject Service, the Telephone Company will bill the Customer for all Variable Mileage in excess of ten (10) miles per Subject Service by applying the charges in Tariff Section 24, 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 25.59.5.(A), the Telephone Company will bill the Customer on a monthly basis the otherwise applicable tariff rates applicable to the OPP 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 25.59.5 and the rates initially billed.

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(N)

(N)

#### ACCESS SERVICE

- 25. Pricing Flexibility Contract Offerings (Cont'd)
  - 5.59 Contract Offer No. 59 Special Access Wireless DS1 Service Offer (Cont'd)
    - 25.59.5 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 (8 days)	EODX1	\$425.00	5.4.2(A)
Expedite	DS1 Expedited Service Interval (7 days)	EODXY	\$475.00	
Expedite	DS1 Expedited Service Interval (6 days)	EODXV	\$525.00	
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.

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Issued: May 31, 2013 Effective: June 1, 2013

# 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 <u>Contract Offer No. 59 - Special Access Wireless DS1 Service Offer</u> (Cont'd)

## 25.59.6 Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5, the Telephone Company will acknowledge such transfer or assignment if the criteria in SNET Tariff F.C.C. No. 39, Section 2.5.5, 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 toreview the assignee or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 25.59.6 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)

(This page filed under Transmittal No. 1050 )

## 25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.59 Contract Offer No. 59 - Special Access Wireless DS1 Service Offer (Cont'd)

## 25.59.7 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.

### 25.59.8 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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