

ACCESS SERVICE

22. Pricing Flexibility Contract Offerings

22.185 Contract Offer No. 185 – Access Service Offer

22.185.1 General Description

The Special Access Service Offer (Contract Offer No. 185) 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; The Southern New England Telephone (SNET) Tariff F.C.C. No. 39, Contract Offer No. 43; Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Contract Offer No. 162; and BellSouth Telecommunications, Inc. (BellSouth) Tariff F.C.C. No. 1, Contract Offer No. 62 (the "Concurrently Subscribed Contract Offers"). NBTC, PBTC, SNET, SWBT, Ameritech, and BellSouth are identified herein as the "Qualified Companies."

Contract Offer No. 185 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 22.185.2 of this Contract Offer) and from MARC-eligible services provided under the other Concurrently Subscribed Contract Offers.

Contract Offer No. 185 will be available for subscription only from March 25, 2009 through April 25, 2009. This Contract Offer is not renewable.

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22. Pricing Flexibility Contract Offerings (Cont'd)

22.185 Contract Offer No. 185 – Access Service Offer (Cont'd)

22.185.2 MARC-Eligible Services

Revenue included in the MARC under this Contract Offer includes all recurring revenue from all MARC-Eligible Services purchased from the Telephone Company under this Contract Offer. MARC-Eligible Services include both Subject Services, listed in Table A, below, and Non-Subject Services, listed in Table B, below. Revenue included in the MARC also includes MARC-eligible services provided pursuant to the other Concurrently Subscribed Contract Offers.

(A) Subject Services

Subject Services are listed in Table A, below. Subject Services are eligible for discounts and other incentives provided under this Contract Offer.

All rates, terms and conditions for Subject Services are governed by the applicable tariff sections, except as noted in this Contract Offer.

Table A – Subject Services

Service Type	Service
Interstate Special Access	Voice Grade
	DS0
	DS1
	DS3
	Switched Access Transport (excluding such service provided by BellSouth Telecommunications, Inc.)
	SONET Xpress
	Shared Transport Network (STN)
	Relianet
	Broadband Circuit Service (BCS)
	SNET SONET Network Service (SSNS)
	Lightgate Services (DS3)
	SMARTGate
	SMARTPath DS1 and DS3
Intrastate Special Access	Equivalent services provided as Interstate Special Access above, subject to the terms and conditions of this Contract Offer

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22.185.2 MARC-Eligible Services (Cont'd)

(B) Non-Subject Services

Non-Subject Services are listed in Table B, below. Recurring revenue attributable to Non-Subject Services will be included in the Customer's revenue for purposes of determining and satisfying the Customer's MARC under this Contract Offer, but are not otherwise subject to the rates, Terms and Conditions of this Contract Offer. In particular, but without limitation, Non-Subject Services are not eligible for credits or other incentives provided under this Contract Offer.

Table B – Non-Subject Services

Service Type	Service
Interstate Special Access	OCN (Optical Carrier Network) Point-to-Point
	Dedicated SONET Ring Service (DSRS)
	SONET Ring and Access Service (SRAS)
	GigaMAN (Gigabit Ethernet Metropolitan Area Network)
	Multi-service Optical Network (MON) Ring Service
	OPT-E-MAN (Optical Ethernet Metropolitan Area Network)
	DecaMAN (10 Gigabit Ethernet Metropolitan Area Network)
	WaveMAN (Wavelength Metropolitan Area Network)
	Serial Component Video Service (SCVS)
	AVS 270 Video Service
	SMARTRing Services
	Lightgate Services - OCN
	Metro Ethernet Services
	Wavelength Services
Intrastate Special Access	Equivalent services provided as Interstate Special Access above, subject to the terms and conditions of this Agreement.

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22.185.3 Eligibility Criteria

The Customer must satisfy the following Eligibility Criteria to qualify for this Contract Offer:

- (A) Contract Offer No. 185 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 Ameritech Tariff F.C.C. No. 2, Section 21. During the Term Period (as defined in Section 22.185.4(B)), if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 21 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 Ameritech Tariff F.C.C. No. 2, Section 14 (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;
 - SNET Tariff F.C.C. No. 39, Contract Offer No. 43;
 - SWBT Tariff F.C.C. No. 73, Contract Offer No. 162; and
 - BellSouth Tariff F.C.C. No. 1, Contract Offer No. 62.

22.185.4 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 185:

(A) Subscription

To subscribe to Contract Offer No. 185, 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.

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22. Pricing Flexibility Contract Offerings (Cont'd)22.185 Contract Offer No. 185 – Access Service Offer (Cont'd)22.185.4 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 22.185.9. 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 22.185.2 of this Contract Offer, and MARC-eligible services, as defined in the other Concurrently Subscribed Contract Offers listed in Section 22.185.3(D). The MARC shall apply during each Term Year of this Contract Offer.
- (D) Credits earned by the Customer under this Contract Offer No. 185 and the other Concurrently Subscribed Contract Offers shall be applied as described in Section 22.185.6(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 Ameritech Tariff F.C.C. No. 2 (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. 185.

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(F) This Contract Offer No. 185 is available March 25, 2009 through April 25, 2009.

(G) Subject Services may not be purchased pursuant to: (i) any discount or credit plans or offerings based on revenue or purchase volume commitments; (ii) any pricing flexibility contract offers; or 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 22; 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 22.185.9, 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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22. Pricing Flexibility Contract Offerings (Cont'd)22.185 Contract Offer No. 185 – Access Service Offer (Cont'd)22.185.5 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 22.185.2), 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 22.185.6(F), and (ii) MARC-eligible services as defined in the other Concurrently Subscribed Contract Offers, plus any applicable true-up amounts provided for therein. To be included, recurring revenue must be billed under the Eligible ACNAs. For clarification, but not by way of limitation, the MARC shall exclude non-recurring charges, usage-based charges, temporary service charges, Unbundled Network Element (“UNE”) charges and charges for Switched Access Dedicated Transport purchased from BellSouth. Services included in the MARC shall include both services ordered prior to the date upon which the Customer subscribes to this Contract Offer and services ordered during the Term Period.

(B) Monthly and Annual Review of MARC Revenue

AT&T will review revenues for MARC-Eligible Services within thirty (30) days after the end of each month during the Term Period (a “Monthly Review”) and within thirty (30) days after the end of each Term Year (“Annual Review”).

22.185.6 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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22.185.6 Billing and Credits (Cont'd)

(A) Monthly Credits (Cont'd)

The aggregate amounts of Monthly MARC Credits under this Contract Offer and the other Concurrently Subscribed Contract Offers shall be as provided in Table C. The Monthly Credits shall be divided among this Contract Offer and the other Concurrently Subscribed Contract Offers in proportion to the billing incurred for the MARC-Eligible Services under this Contract Offer and the MARC-eligible services in each of the other Concurrently Subscribed Contract Offers. Credits shall not be posted if the Customer is in material breach of this Contract Offer, or in material breach of the terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer.

Table C:

Term Year	Monthly MARC Credit (MMC)
Year 1	\$666,667
Year 2	\$666,667
Year 3	\$666,667
Year 4	\$666,667

(B) Annual True-Up

- (i) If, based on the Annual Review, the Customer's MARC Eligible Revenue for a Term Year is equal to or greater than the MARC, the Telephone Company will issue to the Customer any MMC not previously issued as a result of Customer's failure to meet the Monthly MARC during any month of that Term Year.
- (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.

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22. Pricing Flexibility Contract Offerings (Cont'd)22.185 Contract Offer No. 185 – Access Service Offer (Cont'd)22.185.7 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.

22.185.8 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 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 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.

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22.185.9 Termination

Termination Liability Charge

If, prior to the completion of the Contract Term, the Customer terminates this Contract Offer for any reason other than material breach by the Telephone Company, or if the Telephone Company terminates this Contract Offer as a result of a material breach by the Customer, the Customer must pay a termination liability charge in the amount of:

One-twelfth (1/12) of the MARC in effect at the time of termination (rounded up to the nearest hundred dollars) multiplied by the number of months remaining in the Contract Term, multiplied by six percent (6%); and

Fifty percent (50%) of all MMC issued during the twelve (12) months prior to termination of this Contract Offer.

Any credits earned, but not paid, at the time of termination will not be paid to the Customer.

Upon termination of this Contract Offer, Subject Services shall be provided at the rates provided in Section 4, above, unless they are disconnected.

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