TARIFF DISTRIBUTION

FILE PACKAGE NO.: 1754

DATE: December 1, 2011

STATE: AIT-FCC

EFFECTIVE DATE: 11/30/2011

TYPE OF DISTRIBUTION: Approved

PURPOSE: PF 206 - Access Service Offer

TARIFF SECTION	PAGE NUMBER	PAGE REVISION
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2000	1.25	0005
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20TC	13.8.1	0011

Title pages 1 and 2 and pages 1 to 846 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and Supplement No. 339 contain all changes from the original tariff that are in effect on the date hereof.

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1.10	49th	13.1	6th	26	3rd
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^{*} New or Revised Page

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22. Pricing Flexibility Contract Offerings

(N)

22.206 Contract Offer No. 206 – Access Service Offer

(N)

22.206.1. General Description

(Nx)

This Special Access Service Offer (Contract Offer No. 206) 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. 206 is available to any Customer with at least twenty-eight million dollars (\$28,000,000) in cumulative annual recurring revenue for Contributory Services, as defined in Section 22.206.4, from purchases from the Telephone Company and the affiliated telephone companies providing services under the Concurrently Subscribed Contract Offers (the Qualified Companies).

(Nx)

The Customer must meet the Eligibility Criteria set forth in Section 22.206.2, and also must comply with all Terms and Conditions of this Contract Offer. Contract Offer No. 206 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 22.206.6. The MARC shall include recurring revenue for all Contributory Services purchased from the Qualified Companies.

(N)

Contributory Services include Subject Services, as described in Section 22.206.4(A), and Non-Subject Services, as described in Section 22.206.4(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).

22.206.2. Eligibility Criteria

To be eligible to subscribe to this Contract Offer, the Customer may not purchase services pursuant to the Managed Value Plan (MVP) Offering in Section 19 or 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).

(N)

(x) Filed under the authority of Special Permission No. 11-016 of the F.C.C.

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 – Access Service Offer (Cont'd)

22.206.2. Eligibility Criteria (Cont'd)

As of the date of the Customer's subscription to this Contract Offer, the Customer must be purchasing OPT-E-MAN¹ Service from the Telephone Company in ten (10) or more MSAs.

(N)

22.206.3. Concurrent Subscription

(Nx)

In addition to this Contract Offer, the Customer must subscribe to the following Concurrently Subscribed Contract Offers:

- (A) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 177;
- (B) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 158; and
- (C) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 53.

(Nx)

22.206.4. Contributory Services

(N)

The MARC shall include revenue from all Contributory Services purchased from the Qualified Companies, under both this Contract Offer and the concurrently subscribed Contract Offers listed in this Section 22.206.3.

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:

(N)

(x) Filed under the authority of Special Permission No. 11-016 of the F.C.C.

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¹Opt-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.

22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 – Access Service Offer (Cont'd)

22.206.4. Contributory Services (Cont'd)

(A) Subject Services. (Cont'd)

(1) (Cont'd)

Table 1- Subject Services

Service	Tariff Section	Rates & Charges Phase I	Rates & Charges Phase II
Special Access DS1 and DS3 Services	7.2.9	7.5.9	21.5.2.7
Special Access Metallic Service	7.2.1	7.5.15	21.5.2.1
Special Access Telegraph Grade Service	7.2.2 (A)	7.5.15	21.5.2.2
Special Access Voice Grade Service	7.2.3 (A)	7.5.15	21.5.2.3
Switched Access Dedicated Transport Services	6.9.1		

(2) Subject Services under this Contract Offer must be located in the Pricing Flexibility MSAs listed in Ameritech Tariff F.C.C. No. 2, Section 21, and in the MSAs in Table 2, below.

Table 2- Metropolitan Statistical Area ("MSA")

MSA	State
Fort Wayne	IN
Youngstown-Warren	ОН
St. Louis	IL
Davenport/Rock Island/Moline	IL

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.4. Contributory Services (Cont'd)

- (A) Subject Services. (Cont'd)
 - (3) If the Telephone Company is granted pricing flexibility relief in additional MSAs, any services which are listed among the Subject Services in Table 1 and which the Telephone Company provides to the Customer in those additional MSAs, may, at the Customer's option, be included as Subject Services in this Contract Offer, beginning with the first year after the Telephone Company is granted the pricing flexibility in those additional MSAs, provided, however, that the MARC will be increased to reflect the recurring revenues associated with the additional Subject Services, based on the amount of such additional recurring revenues during the three (3) months prior to the inclusion of the additional Subject Services, times four (4).
- (B) Non-Subject Services.
 - (1) All recurring revenue from Non-Subject Services shall be included in the MARC, but shall not otherwise be subject to the rates, or Terms and Conditions of this Contract Offer. Non-Subject Services are listed in Table 3, below.

Table 3 - Non-Subject Services

Intrastate Special	Equivalent VG, DS0, DS1,
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.

22.206.5. Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) is two (2) years, commencing on December 30, 2011. The Anniversary Date shall be the same date in the following year. Contract Offer No. 206 is not renewable.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 – Access Service Offer (Cont'd)

22.206.5. 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 Ameritech Tariff F.C.C. Tariff No. 2, 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.206 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 Ameritech Tariff F.C.C. No. 2, Section 2.6 of subject services under this contract offer is prohibited.

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.5. 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 Ameritech Tariff F.C.C. No. 2, Section 2.4.1 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 non-compliance, the Telephone Company shall have the right to terminate this Contract Offer No. 206. In the event of termination by the Telephone Company, termination liability charges, as set forth in Section 22.206.11 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 Ameritech Tariff F.C.C. No. 2, Section 2.4.
 - (7) The Customer will continue to receive the benefit of rate stability, if any, for any existing Subject Services currently under a term payment plan with the Telephone Company, as provided for in the applicable tariff section from which the Subject Services were purchased.

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

22.206 Contract Offer No. 206 – Access Service Offer (Cont'd)

22.206.6. Minimum Annual Revenue Commitment (MARC)

This Contract Offer requires the Customer to estal

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 22.206.6. 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 22.206.4 of this Contract Offer No.206, 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 MARC-Eligible Charges during the last three (3) months of the first year of the Term Period, multiplied by four (4), or the first-year MARC, rounded to the nearest thousand dollars (\$1,000), whichever is greater.

Example: Assume that the Term Period begins on January 1, 2012, and the first-year MARC is \$28,759,000. If the Customer's MARC-Eligible Charges from October 1, 2012 through December 31, 2012 are \$6,000,000, the MARC for the second year of the Term Period will be \$28,759,000.(\$6,000,000 times four equals \$24,000,000. Because \$24,000,000 is less than \$28,759,000, the second-year MARC will be equal to the first-year MARC of \$28,759,000.

(B) Failure to Achieve the MARC

(1) Quarterly Review. The Customer and the Telephone Company shall exchange information quarterly, and shall meet quarterly, if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company will meet in the ninth month of each year of the Term Period to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date.

(N)

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22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.6. Minimum Annual Revenue Commitment (MARC) (Con't)

- (B) Failure to Achieve the MARC (Cont'd)
 - (1) Annual True-up Process. Following the completion of each year of the Term Period, the Telephone Company will review the Customer's MARC-Eligible Charges to determine whether the Customer has complied with the MARC. If the Customer fails to comply with the MARC for any year during the Term Period, determined as of the Anniversary Date, the Telephone Company will bill and Customer will pay an amount equal to the difference between the MARC and the Customer's actual billed recurring revenue for Contributory Services (Annual True-Up Amount). The True-up calculation will be performed as follows:

MARC - MARC-Eligible Revenue = Annual True-Up Amount

The Customer must pay any Annual True-Up Amount within thirty (30) days after receipt of an invoice from the Telephone Company.

(C) Credit Schedule and Application

Following each Anniversary Date, if the Customer has complied with the MARC and is otherwise in compliance with this Contract Offer, the Customer shall be eligible to receive an annual credit of seven and one-half percent (7.5%) of the portion of MARC-Eligible Charges attributable to Subject Services (only), up to a maximum of \$2,250,000 for each year of the Term Period. Credits will be applied to the Customer's bill no later than ninety (90) days after each Anniversary Date.

Example:

If the MARC is 28,759,000.00, and the Customer's MARC-Eligible Charges for that year are 29,000,000, the Customer will be eligible to receive a credit of $$29,000,000 \times 7.5\% = $2,175,000$.

22.206.7 Non-Recurring Charges

(A) <u>Conversion of Unbundled Network Elements and Upgrades of Existing Special Access Services</u>.

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.

(N)

22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.7 Non-Recurring Charges (Cont'd)

(A) New Subject Services.

The Telephone Company will waive applicable installation NRCs for new Subject Services purchased pursuant to this Contract offer, except for Access Order Charges.

In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. The Customer must pay all other applicable NRCs, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges, as described in Ameritech Tariff F.C.C. No. 2, Section 5.2.2 for Subject Services pursuant to this Contract Offer.

22. 206.8 Termination Liability Waiver

The Telephone Company will waive termination liability charges for moves and/or disconnection of Subject Services, as provided in this Section 22.206.8. 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 22.206.3;
- (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)

22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.9. 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.

22.206.10. Assignment/Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to Ameritech Tariff F.C.C. No. 2, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in Ameritech Tariff F.C.C. No. 2, Section 2.1.2, are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A), (B) or (C), below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

- (A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or
 - If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.
- (B) The proposed assignee or transferee 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)

ACCESS SERVICE

22. Pricing Flexibility Contract Offerings (Cont'd)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.10. Assignment/Transfer (Cont'd)

(A) If the information required to review the assignee's or transferee's credit worthiness pursuant to either Subsection (A) or (B) of this Section 22.206.10 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.

22.206.11. 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 22.206.6 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 22.206.2 or fails to comply with any of the Terms and Conditions of this Contract Offer, the Telephone Company shall provide the Customer with written notification of such non-compliance, and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 206, and termination liability charges will apply. as stated below, and will be payable pursuant to Ameritech Tariff F.C.C. No. 2, Section 2.4. The termination liability charge shall be equal to the following:

- 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 22.206.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No.206, except for charges due and payable for Contributory Services rendered prior to the date of termination, and any NRCs and/or termination liability charges that may become due and payable in accordance with Sections 22.206.7 and 22.206.11.

(This page filed under Transmittal No. 1754)

22. Pricing Flexibility Contract Offerings (Cont'd)

(N)

(N)

22.206 Contract Offer No. 206 - Access Service Offer (Cont'd)

22.206.12. 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.