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Issuing Officer: Patrick Doherty, Director - Access Regulatory

# ACCESS SERVICE CHECK SHEET

The Title Page and Pages 1 to 29-48 inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and Supplement Nos. 1 and 2 contain all changes from the original tariff that are in effect on the date hereof.

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# ACCESS SERVICE

### 25. Pricing Flexibility Contract Offerings

(N)

### 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>

### 25.88.1 General Description

This Special Access Service Offer (Contract Offer No. 85) is a Spend Plan with BellSouth Telecommunications LLC ("BellSouth" or the "Telephone Company").

Subject to the Terms and Conditions set forth elsewhere in this Contract Offer No. 85, Contract Offer No. 85 allows eligible Customers to earn credits based upon its level of Spend-Eligible Charges ("Spend"), as defined in this Contract Offer. The Spend calculation reflects certain recurring revenue from, in the aggregate, all Spend-Eligible Services purchased from the Telephone Company, as defined and provided in this Contract Offer No. 85.

Contract Offer No. 85 will be available for subscription only from October 31, 2015 through November 30, 2015. This offer is not renewable.

### 25.88.2 <u>Subject and Non-Subject Services</u>

"Spend-Eligible Services" under this Contract Offer No. 85 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 BellSouth Tariff F.C.C. No. 1, Section 15 (Operating Territory), except that in no event shall any services connecting to cell sites, mobile telecommunications switching offices (MTSOs), or mobile switching centers (MSCs) be considered Spend-Eligible Services. Spend-Eligible Charges include charges for Spend-Eligible Services that were in service as of the Subscription Date, as well as those placed in service during the Term Period.

#### (A) Subject Services

Subject Services are pricing flexibility qualified access services or rate elements listed in Table A, below. Subject Services are subject to all rates, terms and conditions of this Contract Offer.

Table A - Subject Services

| Services Included                |  |  |
|----------------------------------|--|--|
|                                  |  |  |
| All Voice Grade (VG), DSO, 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)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

### 25.88.2 <u>Subject and Non-Subject Services</u> (Cont'd)

(B) Non-Subject Services
Non-Subject Services are listed in Table B, below. Non-Subject
Services are included in Spend calculations, but are not
otherwise subject to the rates, terms or conditions of this
Contract Offer.

Table B - Non-Subject Services

| <u> lable B - Non-Subject Serv</u>   |  |
|--|--|
| Category   | Services Included  |
| Interstate Special Access Services provided by the Telephone Company but not located in Pricing Flexibility Metropolitan Statistical Areas (MSAs) and any rate elements located in Pricing Flexibility MSAs but not subject to pricing flexibility relief. | Any VG, DSO, DS1, and DS3 special access services and rate elements not listed in Table A  |
| Intrastate Special Access  | Intrastate services equivalent to<br>the interstate services listed<br>above as either Subject Services<br>or Non-Subject Services |

- (C) All terms and conditions for those Spend-Eligible Services that are tariffed are governed by their respective tariff sections, except as otherwise provided in this Contract Offer No. 85. All terms and conditions for those Spend-Eligible Services that are not tariffed are governed by the applicable guidebooks, service guides or contracts.
- (D) No service purchased by Customer, or any of its Qualifying Affiliates, for the provision of Wireless Telecommunications Services, shall constitute a Subject Service or Non-Subject Service under this Contract Offer No. 85.
- E) Subject Services and Non-Subject Services shall also include any additional similar or successor services which are subsequently provided by the Telephone Company and were not available as of the effective date of this Contract Offer No. 85.

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### ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

### 25.88.3 Definitions

As used in this Contract Offer No. 85,

- (A) A "Qualifying Affiliate" means any Customer Affiliate (as Customer Affiliates exist on the Subscription Date) that meets any of the following:
  - (1) is a telecommunications carrier under applicable federal or state law; or
  - (2) has an assigned ACNA; or
  - is purchasing for resale or using an input into another service being offered or otherwise provided to non-Affiliates (a) any of the services in Table A or Table B, above, or (b) any interstate broadband services provided by the Telephone Company or any of its ILEC Affiliates; or
  - (4) is a customer of record with the Telephone Company or any of its ILEC Affiliates for (a) any of the services in Table A or Table B, above, or (b) any interstate broadband services provided by the Telephone Company or any of its ILEC Affiliates.
- (B) "Affiliate" means a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person. For purposes of this paragraph, the term "own" means to own an equity interest (or the equivalent thereof) of more than 10 percent.
- (C) "Wireless Telecommunications Services" means wireless radio services, whether fixed or mobile, and are subject to regulation on a common carrier basis under federal law.

Optical Carrier Network (OCN) Point-to-Point, Dedicated SONET Ring Service (DSRS), GigaMAN, DecaMAN, WaveMAN, OPT-E-MAN Service, AT&T Switched Ethernet Services and other interstate broadband services are now provided on a contractual basis outside of the tariff, including all terms and conditions. As required by the Commission to allow the Telephone Company to take advantage of the relief granted in the Commission's Memorandum Opinion and Order No. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at the Interstate Access link at www.att.com/guidebook.

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### ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

# 25.88.3 <u>Definitions</u> (Cont'd)

- (D) A "Selling Affiliate" means any Customer Affiliate (as Customer Affiliates exist on the Subscription Date) from which the Telephone Company or any of its Affiliates is purchasing, directly or indirectly, on the Subscription Date, services substantially similar to those comprising the Subject Services and Non-Subject Services under this Contract Offer.
- (E) "Term Month" means a calendar month during a Quarter (defined in Section 25.88.3(F)).
- (F) "Quarter" means a consecutive, non-overlapping 3-month period, with the first Quarter beginning on October 1, 2015 and ending on December 31, 2015 (which means the second Quarter begins on January 1, 2016, and ends on March 31, 2016). The last Quarter ends on March 31, 2018, unless this Contract Tariff is extended as provided in Section 25.88.5(B).
- (G) An "ILEC Affiliate" means an Affiliate of the Telephone Company that is any of the following or any portion of the following: Ameritech Operating Companies; Illinois Bell Telephone Company d/b/a AT&T Illinois, Indiana Bell Telephone Company Incorporated d/b/a AT&T Indiana, Michigan Bell Telephone Company d/b/a AT&T Michigan, The Ohio Bell Telephone Company d/b/a AT&T Ohio, and Wisconsin Bell, Inc. d/b/a AT&T Wisconsin; Nevada Bell Telephone Company d/b/a AT&T Nevada; Southwestern Bell Telephone Company d/b/a AT&T Oklahoma, AT&T Missouri, AT&T Kansas, AT&T Arkansas and AT&T Texas and Pacific Bell Telephone Company d/b/a AT&T California.

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### ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

### 25.88.4 Eligibility Criteria

The following Eligibility Criteria apply to this Contract Offer No. 85:

- (A) Contract Offer No. 85 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 BellSouth Tariff F.C.C. No. 1, Section 23. During the Term Period of this Contract Offer No. 85, if the Telephone Company is granted pricing flexibility relief in additional MSAs not listed in Section 23 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. 85.
- (B) During the last full calendar month prior to the Subscription Date, the monthly recurring charges, after application of any discounts or credits applicable to those recurring charges, as well as adjustments for overbilling, underbilling and billing dispute settlements, billed by the Telephone Company and its ILEC Affiliates to Customer and its Qualifying Affiliates for Spend-Eligible Services, the Spend Eligible Charges must have been in an aggregate amount of not less than \$16 million and not greater than \$20 million.
- (C) At the end of the last full calendar month prior to the Subscription Date, the Customer and its Qualifying Affiliates must have had in-service with the Telephone Company and its ILEC Affiliates all of the following:
  - (1) no fewer than 71,500 interstate DS1 special access services but no more than 73,500 interstate DS1 special access services, that would qualify as Spend-Eligible Services, and
  - (2) no fewer than 5,900 interstate DS3 special access services but no more than 6,700 interstate DS3 special access services, that would qualify as Spend-Eligible Services, and

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25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

### 25.88.4 <u>Eligibility Criteria</u> (Cont'd)

- (C) (Cont'd)
  - (3) no fewer than 7,200 interstate switched and dedicated Ethernet services but no more than 8,500 interstate switched and dedicated Ethernet services.
- (D) During the last full calendar month prior to the Subscription Date, the monthly recurring charges, after application of any discounts or credits applicable to those recurring charges, as well as adjustments for overbilling, underbilling, and billing dispute settlements, billed by the Telephone Company and its ILEC Affiliates to Customer and its Qualifying Affiliates for broadband Telecommunications Services, must have been in an aggregate amount of not less than \$9 million and not greater than \$13 million.
- (E) Neither Customer nor its Qualifying Affiliates can be a provider of Wireless Telecommunication Services.
- (F) As of the Subscription Date, neither the Customer nor its Qualifying Affiliates may be purchasing from the Telephone Company interstate or intrastate special access services from the Telephone Company pursuant to any pricing flexibility contract offer, intrastate "ICB" contract or other individually negotiated arrangement that includes any minimum volume or revenue commitment, other than any contract offer that will be terminated upon the Customer's subscription to this Contract Offer No. 85.
- (G) During the last full calendar month prior to the Subscription Date, the aggregate monthly recurring charges, after application of any discounts or credits applicable to those recurring charges, as well as adjustments for overbilling, underbilling and billing dispute settlements, billed by Customer and its Selling Affiliates to the Telephone Company and its Affiliates for DS1 and DS3 special access services substantially similar to those comprising the Subject Services and Non-Subject Services under this Contract Offer, and Ethernet services¹ substantially similar to those offered by the Telephone Company ("Customer Subject Services"), shall be, in the aggregate, not less than \$75 million and not more than \$85 million.

<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. 07-180 released October 12, 2007, services have been detariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at the Interstate Access link at www.att.com/guidebook.

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

## 25.88.4 Eligibility Criteria (Cont'd)

- (H) At the end of the last full calendar month prior to the Subscription Date, the Telephone Company and its Affiliates must have had in-service with the Customer and its Selling Affiliates both:
  - (1) no fewer than 110,000 interstate DS1 special access services but no more than 120,000 interstate DS1 special access services, that qualify as Customer Subject Services, and
  - (2) no fewer than 10,000 interstate DS3 special access services but no more than 15,000 interstate DS3 special access services, that qualify as Customer Subject Services.
- (I) On or within ten (10) days prior to the Subscription Date, the Customer and its Selling Affiliates, on the one hand, and the Telephone Company and/or one or more of its Affiliates, on the other hand, must enter or have entered into agreement(s) which collectively provide for all of the following ("Buy Side Agreement"):
  - (1) an initial fixed term that expires no earlier than March 31, 2018, plus no fewer than four (4) extensions at the sole option of the Telephone Company and/or one or more of its Affiliates (collectively, such initial term and any exercised optional terms, the "Buy Term"); and
  - (2) for the entirety of the Buy Term, the right of the Telephone Company and/or its Affiliates to terminate any or all interstate DS1 and DS3 special access services that qualify as Customer Subject Services purchased from Customer and its Selling Affiliates, without any termination charges or other liability (except for unpaid special construction charges), in which such right to terminate is not conditioned or otherwise qualified by any on-going minimum volume or revenue requirement, any maximum (cap) number of terminated services, or any minimum time-in-service requirement; and

25.88

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

(N)

# Contract Offer No. 85 - Access Service Offer(Cont'd)

# 25.88.4 Eligibility Criteria (Cont'd)

- (I) (Cont'd)
  - (3) for the entirety of the Buy Term, rate stability provisions that provide for the Telephone Company and its Affiliates that the monthly recurring rates (after application of any discounts or credits applicable to those recurring rates) applicable to Channel Terminations and Transport (interoffice) Channels for interstate DS1 and DS3 special access services that qualify as Customer Subject Services will not increase as compared to such net rates applicable on October 1, 2015.

Such provisions must, if needed, provide for a mechanism to perform rate or charge adjustments to achieve accomplish such rate stability.

As used in this Section 25.88.4(I), an "agreement" includes a tariff offering.

If the Buy Side Agreement is terminated during the Term Period as a result of a regulatory ruling or a judicial interpretation of the Telecommunications Act or FCC regulations, and a replacement arrangement is not negotiated and executed within thirty (30) days, this Contract Offer No. 85 will terminate effective as of the termination date of the Buy Side Agreement (including that any credits attributable after such termination date shall be repaid).

#### 25.88.5 Terms and Conditions

The following Terms and Conditions apply to this Contract Offer No. 85:

#### (A) <u>Subscription</u>

To subscribe to Contract Offer No. 85, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS must encompass Customer and all of its Qualifying Affiliates, and Customer must include, in the LOS, all Access Customer Name Abbreviations (ACNAs) used by Customer and its Qualifying Affiliates (hereafter referred to as "Eligible ACNAs"). Services ordered or purchased under other ACNAs may not be transferred to, or converted for inclusion under, this Contract Offer No. 85.

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25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

### 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

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

### (B) Term Period

The term of this Contract Offer No. 85 ("Term Period") shall begin on the date that Customer submits a valid and executed Letter of Subscription (LOS) to the Telephone Company ("Subscription Date"), and shall end on March 31, 2018, subject to extensions as provided in this Section 25.88.5(B).

The Term Period will be automatically extended by up to four (4) consecutive one-year extension periods unless the Telephone Company receives Customer's written notice of intent not to extend this Contract Offer No. 85 for such an extension period, by no later than the March 1st immediately prior to the thenapplicable expiration date of Term Period (as may have been previously extended pursuant to this Section 25.88.5(B)). If the Telephone Company receives such notice by such March 1st, the Term Period will end on the following March 31st.

- (C) The Customer and its Qualifying Affiliates (as each exists on the Subscription Date), in the aggregate, must meet each of the following criteria for each Quarter.
  - (1) the monthly recurring charges, after application of any discounts or credits applicable to those charges (including the credits issued under the Contract Tariffs), as well as adjustments for overbilling, underbilling and billing dispute settlements, for interstate DS1 and DS3 special access provided and billed by AT&T to Customer and its Qualifying Affiliates, are not more than \$25,000,000 times the number of Term Months in such Quarter; and
  - (2) the Circuit Volume for such Quarter that is equal to or greater than the Required Volume times the number of Term Months in such Quarter. The "Circuit Volume" means the aggregate number of the following AT&T services inservice at the end of each such Term Month: (i) interstate and intrastate DS1 special access services, (ii) interstate and intrastate DS3 special access services, and (iii) all AT&T switched and dedicated Ethernet services.¹ For avoidance of doubt, such a number of such in-service services will be determined at the end of such Term Month, and added together to determine the Circuit Volume.

<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. 07-180 released October 12, 2007, services have been detariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at the Interstate Access link at www.att.com/guidebook.

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### ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

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

- (C) (2) (Cont'd)
  - a) The Required Volume is as follows:

| Year                                       | Required Volume  |
|--|--|
| Subscription Date until March 31, 2018     | 60,000   |
| Each extension period (Years 4, 5, 6 or 7) | 60,000 or 2/3 of the average monthly Circuit Volume during January, February and March 2018 (or last Quarter of the prior extension period, as applicable), whichever is less. |

- b) For purposes of determining the Circuit Volume, only interstate and intrastate special access circuits that have a MRC greater than \$00.00 that have at least one of the following shall be counted:
  - i) DS1 and DS3 special access circuits and dedicated Ethernet<sup>1</sup> special access circuits with a channel termination/local channel, or mileage charges; or
  - ii) AT&T Switched Ethernet Services<sup>1</sup> with a port connection.

Circuits with standalone multi-plexers will not be included in the Volume Count. The counting shall be done using circuit IDs.

<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. 07-180 released October 12, 2007, services have been de-tariffed by the Telephone Company. Rates, terms and conditions associated with detariffed services are available at the Interstate Access link at <a href="https://www.att.com/guidebook">www.att.com/guidebook</a>.

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# ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

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

- (C) (Cont'd
  For any Quarter in which Customer and its
  Qualifying Affiliates do not fulfill both criteria,
  the Customer shall repay to the Telephone Company
  the total amount of the credits and waivers
  attributable to such Quarter that were or are
  issued to Customer under this Contract Offer No. 85
  (and the Telephone Company shall have no obligation
  to issue any such credits or waivers that have not
  been issued), and the Telephone Company shall
  reverse any debit issued under Section 25.88.6(E)
  attributable to such Quarter that were or are
  issued to Customer under this Contract Offer No.
  85.
- (D) Credits earned under this Contract Offer No. 85 shall be applied as described in Section 25.88.6, below.
- (E) Except as provided in Section 25.88.5(F), credits earned under this Contract Offer No. 85 are in addition to, and do not alter, any existing service discounts/term plans available in the Telephone Company's generally applicable tariffs or other Telephone Company contract offers.
- (F) Spend-Eligible Services under this Contract Offer No. 85 may not be purchased pursuant to any pricing flexibility contract offer, intrastate "ICB" contract or other individually negotiated tariff or agreement that includes any minimum volume or revenue commitment, (any such precluded tariffs or agreements hereafter referred to as an "Other Commitment Agreement"), unless the Other Commitment Agreement expressly refers to this Contract Offer No. 85 and expressly permits the Customer to purchase such services subject to this Contract Offer No. 85 and such Other Commitment Agreement. The word "purchase," as used in the foregoing sentence, refers to the Customer or any of its Affiliates obtaining or using any service in exchange for compensation, regardless of when the service was ordered or installed.

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### ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

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

- (G) Credits to be provided under this Contract Offer No. 85 will not be issued unless and until the Customer has paid all billed charges for Spend-Eligible Services due and owing as of the date the credits are issued (excluding amounts disputed and withheld in accordance with the Telephone Company's dispute process), and is otherwise in material compliance with this Contract Offer No. 85.
- (H) During the Term Period, any interstate DS1 special access services and any interstate DS3 special access services purchased from the Telephone Company by Customer and/or any of its Affiliates shall be purchased subject to an ACP or Covered TPP, as defined in Section 25.88.6(E), below. Failure to do so would be a material breach of this Contract Offer No. 85, which would allow the Telephone Company to terminate this Contract Offer No. 85; if, however, Customer inadvertently fails to do so, Customer shall be permitted to cure such failure.
- (I) Subject Services are subject to certain rates, charges and general terms and conditions in other sections of BellSouth Tariff F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services), and such terms and conditions may be modified through the filing of tariff changes at any time during the Contract Term. However, such tariff modifications will not change the Terms and Conditions described in this Contract Offer No. 85.
- (J) Commingling of Subject Services is defined in BellSouth Tariff F.C.C. No. 1, Section 2.6. During the Term Period, the Customer may not at any time be obtaining from the Telephone Company a greater number of Subject Services and Non-Subject Services that are commingled with one or more unbundled network elements than the number of such Subject Services and Non-Subject Services in place as of the Subscription Date that are commingled.

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### ACCESS SERVICE

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

(N)

### 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

### 25.88.6 <u>Credits and Waivers</u>

### (A) <u>Spend Credits</u>

"Spend-Eligible Charges" means the billed recurring revenue, after application of any discounts or credits applicable to those recurring revenues (except those issued under this Contract Offer No. 85), as well as adjustments for overbilling, underbilling and billing dispute settlements for, in the aggregate, the Spend-Eligible Services, which are purchased by and billed to Customer and its Qualifying Affiliates (as each exists as of the Subscription Date) (or their Permitted Successors (defined below) under the Eligible ACNAs. The Customer's Spend-Eligible Charges shall specifically exclude the following:

- (1) non-recurring charges;
- (2) usage-based charges;
- (3) temporary service charges;
- (4) special construction charges;
- (5) fractional and partial recurring charges;
- (6) customer premise equipment charges;
- (7) charges for services provided by a non-Affiliate third party service provider;
- (8) taxes, surcharges, government-related charges, or passthrough charges;
- (9) Expanded Interconnection Terminations, Interconnection Tie Pairs or Cross-Connect charges under any Affiliate's Interconnection Agreement;
- (10) shortfall and termination charges;
- (11) General Exchange Tariff charges;
- (12) charges for ACNAs for which Customer ceases to become responsible during the term of this Contract Offer No. 85, but only with respect to those charges incurred after Customer ceases to be responsible for such ACNAs; and
- (13) charges invoiced outside of the Telephone Company Wholesale billing platforms.

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### ACCESS SERVICE

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

(N)

### 25.88 Contract Offer No. 85 - Access Service Offer(Cont'd)

#### 25.88.6 Credits and Waivers (Cont'd)

# (A) Spend Credits (Cont'd)

A "Permitted Successor" is a successor-in-interest to the Customer or a Qualifying Affiliate that is itself an Affiliate of Customer, provided, however, that charges for Spend-Eligible Services shall only be considered Spend-Eligible Charges to the extent that they would have prior to the transaction that resulted in such permitted successor.

For each Term Month, subject to Section 25.88.5, the Customer is eligible for a single Spend credit under this Contract Offer. The single Spend credit would be in an amount equal to four percent (4%) times the Customer's actual Spend for such Term Month under this Contract Offer No. 85 ("Spend Credit").

The Spend Credit would be issued during the second calendar month after the Term Month to which it is attributable.

The Spend Credit shall not be posted if the Customer is in material breach of this Contract Offer No. 85, or Customer or any of its Qualifying Affiliates is in material breach of any other terms and conditions governing the Subject Services, including, without limitation, failure to pay any undisputed amount due for Subject Services, until such breach is cured or payment for undisputed amounts is made by Customer or such Qualifying Affiliate.

#### (B) Conditions to Other Credits

In order to be eligible to earn any of the credits under Section 25.88.6(C) or 25.88.6(D) with respect to a Term Month during the Term Period, Customer and its Qualifying Affiliates must be covered by a Plan A or Plan B Area Commitment Plan ("ACP") for the entirety of such Term Month, such that all of its interstate DS1 special access services purchased from the Telephone Company must be subject to one such plan, except to the extent that the Telephone Company eliminates a plan and Customer is not allowed to re-subscribe. The ACP is described in Sections 2.4.8 (B) and 7.4.15 of BellSouth FCC Tariff No. 1. (N)

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

## 25.88.6 <u>Credits and Waivers</u> (Cont'd)

# (C) <u>Termination Liability Credit</u>

The Telephone Company will bill, and the Customer and its Qualifying Affiliates shall pay, termination liability charges in accordance with applicable tariffs. The Telephone Company will issue a credit in the amount equal to such termination liability charges due from the Customer and its Qualifying Affiliates for moves and/or disconnections of interstate DS1 and/or DS3 Subject Services located in pricing flexibility MSAs that are billed in a Term Month if, in addition to Customer and its Qualifying Affiliates meeting the conditions in Section 25.88.6(B) for such Term Month, such DS1 or DS3 Subject Service meets all of the following conditions:

- (1) Such Subject Service was not disconnected by the Telephone Company as a result of a breach of the applicable Tariffs.
- (2) Any such DS1 or DS3 Subject Service must not have received a termination liability credit under another revenue-based or volume-based offer, or otherwise received a waiver of such termination liability charge or other credit in an amount equal to such termination liability charge.

Any credit due under this Section 25.88.6(C) will be issued during the second calendar month after the Term Month in which such related termination liability charge was billed.

Subject Services eligible for termination liability credits or waivers under this Contract Offer No. 85 shall not be eligible for similar termination liability credits or waivers under any other pricing flexibility contract offer, promotional offering, discount plan or other arrangement.

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

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

### 25.88.6 <u>Credits and Waivers</u> (Cont'd)

### (D) <u>DS1 Plan Credits</u>

The Telephone Company will credit any charges for either failing to maintain the service/unit minimums or exceeding the service/unit maximums of the commitment associated with the DS1 High Capacity services subject to the ACP(except for any such charges attributable to circuits disconnected by the Telephone Company as a result of a breach of the applicable Tariffs).

### (E) Rate Stability Adjustments

- (1) DS1. The Telephone Company will provide adjustments as described in this 25.88.6(E) only with respect to the rates applicable to the Plan A or Plan B Area Commitment Plan ("ACP"), for purposes of determining ACP credits but not for purposes of determining the ACP Shortfall Charges.
- (2) DS3. The Telephone Company will provide adjustments, as described in this 25.88.6(E), only with respect to any any interstate DS3 special access services purchased by Customer and its Qualifying Affiliates from the Telephone Company to which Customer or a Qualifying Affiliate either:
  - (a) subscribed to a 60-month term or greater payment plan, or
  - (b) only if the Telephone Company does not offer a 60-month or greater term payment plan (TPP), subscribed to the term payment plan with the greatest duration offered by the Telephone Company.

((a) and (b) are referred to as, collectively, the "Covered TPPs," and individually, a "Covered TPP").

During the Term Period, the Telephone Company shall provide Customer and its Qualifying Affiliates rate stability for the monthly recurring charges ("MRCs") for Channel Terminations and Transport (interoffice) Channels for interstate DS3 special access services ("Covered Services") subscribed to a Covered TPP based upon the MRCs applicable to 60-month term or greater payment plans as set forth in the generally available and applicable Telephone Company tariffs as of the Subscription Date.

Rate stability means, except as provided in this Section 25.88.6(E), to the extent the MRCs applicable for the Covered Services that are subscribed to a Covered TPP by Customer and its Qualifying Affiliates are subject to any rate increases or decreases for the Covered TPPs during the Term Period, based upon the MRCs applicable to the 60-month term or greater payment plan as applicable on the Subscription Date, such increases or decreases will be offset by credits or debits issued against Subject Services.

25.88

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<u>Contract Offer No. 85 - Access Service Offer (Cont'd)</u>

ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.88.6 <u>Credits and Waivers</u> (Cont'd)

- (E) (Con't)
  - To implement rate stability, if the MRCs increase or decrease during the Term Period, the Telephone Company and Customer shall, within sixty (60) days after any such rate change, determine the average monthly effect of such rate change ("Average MRC Effect"), which shall be the (i) estimated aggregate incremental monthly effect of that MRC rate change on Customer's bills of monthly recurring charges using actual data of Customer's inservice units at the end of the last calendar month prior to the effective date of that MRC rate increase, and assuming all units are in-service for a full month (no pro-rating), divided by (ii) that number of in-service units. Beginning after the sixth full calendar month after the MRC rate change, and for each full sixcalendar-month period during the Term Period, the Telephone Company shall bill an "MRC Change Adjustment" in an amount equal to (A) the Average MRC Effect, multiplied by (B) the number of units in-service at the end of each of the months included in such six-month period.
  - (4) Notwithstanding any other provision in this Contract Offer No. 85,
    - (a) no MRC Change Adjustment shall be made with respect to, or attributable to, any period after the expiration or termination of this Contract Offer No. 85, and
    - (b) neither the rate stability nor the MRC Change Adjustments under this Section 25.88.6(E) applies to any increases arising from any government requirement or other obligation, whether existing as of the Subscription Date or subsequently, including, without limitation those imposed by any federal, state or local legislation, any order, rule, or regulation of the Federal Communications Commission, state regulatory commission, or other governmental agency, or any order or judgment of any court of competent jurisdiction.

This Section 25.88.6(E)(4)(b) does not apply to any MRC increases that apply only to the Telephone Company and any of its Affiliates that were initiated or requested by the Telephone Company and/or any of its Affiliates.

25.88

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### ACCESS SERVICE

Contract Offer No. 85 - Access Service Offer(Cont'd)

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

(N)

# 25.88.6 <u>Credits and Waivers</u> (Cont'd)

- (E) (Con't)
  - (5) This Section 25.88.6(E) does not apply to MRCs in other price flex contract offers, Tariff promotional offerings being made on the Subscription Date, or any Tariff offering that has a stated expiration, limited time availability or withdrawal date, or any Spend-Eligible Service that is not subject to an ACP or Covered TPP.

The Telephone Company shall issue any MRC Change Adjustment(s) against Customer's charges for Subject Services. Taxes, surcharges, recovery fees, duties, levies, and other similar charges will not be included in any calculations under this Section 25.88.6(E).

# 25.88.7 <u>Assignment/Transfer/Successors</u>

(A) Neither party shall assign or otherwise transfer this Contract Offer No. 85, 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. 85 to any Qualifying Affiliate, so long as such Qualifying Affiliate otherwise qualifies under this Contract Offer No. 85.

Any assignment or other transfer shall be subject to the other party's rights under this Contract Offer No. 85, any assignee or transferee shall continue to perform the assigning or transferring party's obligations under this Contract Offer No. 85, and any assignment or transfer by the Customer shall be subject to the provisions of Section 25.88.7(B), below. Any assignment or other transfer of this Contract Offer No. 85, or the rights or obligations hereunder, or any attempt to do either, in violation of this provision shall be void.

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ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

# 25.88 <u>Contract Offer No. 85 - Access Service Offer</u>(Cont'd)

### 25.88.7 <u>Assignment/Transfer/Successors</u> (Cont'd)

- (B) Any proposed assignee or transferee must satisfy the following conditions: (i) the proposed assignee or transferee must demonstrate credit worthiness under both (1) and (2), below (and if (1) and (2) are not applicable to Customer, then (3) shall apply); (ii) neither the proposed assignee or transferee nor its parent may have commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it) at any time during the Term Period, and (iii) the proposed assignee or transferee meets the Eligibility Criteria set forth in Section 25.88.4, above.
  - (1) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly more than fifty percent (50%) of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission, or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.
  - (2) The proposed assignee or transferee or its parent does not have any outstanding securities rated by credit rating agencies, <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 25.88.7(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.

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

(N)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

## 25.88.8 Mergers/Acquisitions and Sales/Divestitures

Except as provided in Section 25.88.8(B), all provisions of this Contract Offer No. 85 shall continue in full force and in effect notwithstanding any merger or acquisition affecting a party. A merger or acquisition within the meaning of this provision, shall include, without limitation, any transaction in which the party, in whole or in part, merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity, or purchases all or substantially all stock or assets of another company. Upon the Transaction Close Date of a merger or acquisition, if the entity other than the Customer involved in the merger or acquisition purchases any service from any Telephone Company entity, such service shall not be included in this Contract Offer No. 85 for any purpose. The "Transaction Close Date" shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. Purchases by the other entity shall not be part of any calculation hereunder, including, without limitation, as a Spend-Eligible Service, as generating Spend-Eligible Charges, in determining achievement of the requirements of Section 25.88.5(C), or be eligible for any credits under this Contract Offer No. 85.

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

(N)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

# 25.88.8 Mergers/Acquisitions and Sales/Divestitures (Cont'd)

If, during the Term Period, the Telephone Company and/or its ILEC Affiliates (or any portion of any of them) is no longer under the control of AT&T Inc. (a "Divested Entity"), then as of the closing date(s) of the relevant transaction(s), this Contract Offer No. 85 shall be administered and enforced, and any rights or obligations of either party to this Contract Offer No. 85 shall apply separately to: (i) the Telephone Company (or any portion of Telephone Company (if any)) remaining under the control of AT&T Inc., and (ii) the Divested Entity or Entities, after taking into account such relevant transaction(s). In particular, but without limitation, the conditions (as provided in Section 25.88.5(C)) required to qualify for credits under this Contract Offer No. 85 will be pro-rated between any portion of the Telephone Company and/or its ILEC Affiliates (or any portion of any of them) remaining under the control of AT&T Inc. (the "Remaining AT&T ILECs"), and the Divested Entity or Entities in proportion to (1) for Section 25.88.5(C)(1), the amount of the monthly recurring charges, after application of any discounts or credits applicable to those charges (including the credits issued under this Contract Offer No. 85), as well as adjustments for overbilling, underbilling and billing dispute settlements for interstate DS1 and DS3 special settlements for interstate DS1 and DS3 special access services provided and billed by the Remaining AT&T ILECs and by the Divested Entity or Entities, for the three full calendar months immediately prior to the Transaction Close Date of the relevant transaction(s), and (2) for Section 25.88.5(C)(2), based upon the Circuit Volumes billed by the Remaining AT&T ILECs and by the Divested Entity or Entities at the end of the three full calendar months immediately prior to the full calendar months immediately prior to the Transaction Close Date of the relevant transaction(s).

Notwithstanding the foregoing paragraph, nothing in this Section 25.88.8(B) shall prevent the lawful modification or termination of this Contract Offer No. 85, as applicable to the Telephone Company, any portion of Telephone Company (if any) remaining under the control of AT&T Inc., or any Divested Entity or Entities.

ISSUED: OCTOBER 30, 2015 EFFECTIVE: OCTOBER 31, 2015

### ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

# 25.88.9 <u>Effect of Contract Offer No. 85 on Any Grandfathering or Sunsetting of Subject Services or Non-Subject Services</u>

Nothing in this Contract Offer No. 85 shall prevent the Telephone Company or any of its ILEC Affiliates from terminating the provision of Subject Services or Non-Subject Services, in part, or in their entirely, prior to the end of the Term Period, to the extent permitted by applicable law.

## 25.88.10 Termination

(A) Termination Liability Charge

If, prior to the completion of the Term Period, the Customer terminates this Contract Offer No. 85 for any reason other than material breach by the Telephone Company, or if the Telephone Company terminates this Contract Offer No. 85 as a result of a material breach by the Customer or any of its Qualifying Affiliates, then this Contract Offer No. 85 shall be terminated (if not already terminated) and the Customer shall forego (or repay, if applicable), as a termination liability charge, one hundred percent (100%) of the credits and waivers issued or due under this Contract Offer No. 85 attributable to:

- (1) the month in which the breaching party receives the pertinent breach notice and any subsequent month(s) through the effective date of termination, or
- (2) if termination is not due to an uncured breach, the month in which the effective date of termination occurs.

Customer will pay any termination liability charge due to the Telephone Company within 30 days of the Telephone Company invoice date for such charge, provided, however, that the Customer shall not repay any amount attributable to any such credits or waivers that have not been, or are not, issued by the Telephone Company (and the Telephone Company will not be obligated to issue any such credits which were due but not issued prior to such termination).

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ACCESS SERVICE

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

(N)

# 25.88 <u>Contract Offer No. 85 – Access Service Offer</u>(Cont'd)

## 25.88.10 <u>Termination</u> (Cont'd)

- (B) If any portion of this Contract Offer No. 85 is found to be invalid, unenforceable, or otherwise contrary to applicable law, the Telephone Company or the Customer may, in its respective sole discretion, terminate this Contract Offer No. 85 upon (10) days written notice to the other.
- (C) The Telephone Company may terminate this Contract Offer No. 85, upon not less than fifteen (15) business days written notice, if Customer is obligated under Section 25.88.5(C) to repay the credits and waivers under this Contract Offer No. 85 for two (2) consecutive Quarters. In the event of a termination under this Section 25.88.10(C), the Customer shall forego (repay if applicable) to the Telephone Company the total amount of any such credits and waivers attributed to any Term Month after the second of the consecutive Quarters that were or are issued to Customer (and the Telephone Company shall have no obligation to issue any such credits or waivers that have not been issued).
- (D) After a transaction to which Section 25.88.8(B) applies, (i) the termination of this Contract Offer No. 85 solely applicable to any portion of the Telephone Company remaining under the control of AT&T Inc. will not terminate this Contract Offer No. 85 as it applies to any Divested Entity or Entities, and (ii) the termination of this Contract Offer No. 85 solely applicable to any Divested Entity or Entities will not terminate this Contract Offer No. 85 as it applies to any portion of the Telephone Company remaining under the control of AT&T Inc.