

EFFECTIVE: MAY 18, 2002

ACCESS SERVICE

(N)

26 – BELLSOUTH SWA CONTRACT TARIFFS

(N)

26.1 BellSouth SWA Contract Tariff No. 2002-01

(N)

26.1.1 General Regulations

(N)

- (A) The start date of BellSouth SWA Contract Tariff No. 2002-01 is the first bill period following subscription to this contract tariff. (N)
(B) BellSouth SWA Contract Tariff No. 2002-01 shall terminate on July 22, 2007. (N)
(C) The regulations, terms, conditions and volume discounts provided herein shall apply to the customer's applicable BellSouth SWA usage and revenues achieved in the Metropolitan Statistical Areas (MSAs) defined below: (N)
(1) Montgomery, Alabama (N)
(2) Jacksonville, Florida (N)
(3) Miami/Ft. Lauderdale/Hollywood, Florida (N)
(4) Orlando, Florida (N)
(5) Panama City, Florida (N)
(6) Atlanta, Georgia (N)
(7) Columbus, Georgia (N)
(8) LaFayette, Louisiana (N)

The BellSouth wire centers associated with the above MSAs are as set forth in Section 24 of this Tariff. (N)

- (D) A customer that is similarly situated may subscribe within a period of thirty (30) days following the effective date of BellSouth SWA Contract Tariff No. 2002-01. (N)

26.1.2 Subscription Conditions

(N)

- (A) To subscribe to BellSouth SWA Contract Tariff No. 2002-01, the customer and the Telephone Company must execute a Letter of Agreement. The Telephone Company shall provide a Letter of Agreement for the customer to execute. The Letter of Agreement shall contain: (N)
(1) BellSouth SWA Contract Tariff Number (N)
(2) Start and termination date of BellSouth SWA Contract Tariff (N)
(3) Customer's Name and Billing Address (N)
(4) Billing Account Number the credit will be applied (N)
(5) Access Customer Name Abbreviations (ACNAs) and Customer Identifications Codes (CICs) to be included in the BellSouth SWA Contract Tariff (N)
(6) BellSouth SWA Contract Tariff term (i.e., 36, 48 or 60 months) (N)
(7) MSAs included in the BellSouth SWA Contract Tariff (N)
(8) Minimum Usage Discount Table (N)

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26 – BELLSOUTH SWA CONTRACT TARIFFS

(N)

26.1 BellSouth SWA Contract Tariff No. 2002-01 (Cont'd)

(N)

26.1.2 Subscription Conditions (Cont'd)

(N)

(B) To subscribe to BellSouth SWA Contract Tariff No. 2002-01, the customer must have been a BellSouth SWA customer for the previous 18-months.

(N)
(N)

(C) When the customer subscribes to BellSouth SWA Contract Tariff No. 2002-01, the customer must identify to the Telephone Company, all Access Customer Name Abbreviations (ACNAs) and Carrier Identification Codes (CICs) to be included in BellSouth SWA Contract Tariff No. 2002-01.

(N)
(N)
(N)
(N)

(D) The customer must be the billing responsible party for all BellSouth SWA billing elements associated with the ACNAs and CICs included in BellSouth SWA Contract No. 2002-01.

(N)
(N)
(N)

(E) Any additions after the Letter of Agreement is executed will be handled as a merger or acquisition or transfer of service regulations as set forth in 26.1.3 following.

(N)
(N)
(N)

(F) A customer subscribing to BellSouth SWA Contract Tariff No. 2002-01 may not subscribe to any other BellSouth SWA Contract Tariff that contains services as set forth in (G) following.

(N)
(N)
(N)

(G) The following BellSouth SWA services, provided in the MSAs as described in 26.1.1(C) preceding, will be used in determining the BellSouth SWA revenues that are eligible to receive the volume discount based on the established minimum local switching usage.

(N)
(N)
(N)
(N)

- BellSouth SWA Common Transport Service
 - Facility Termination, per minute of use
 - Per Mile, per minute of use
 - DS3 to DS1 Multiplexer, per minute of use
 - DS1 to VG Multiplexer, per minute of use

(N)
(N)
(N)
(N)
(N)

- Access Tandem Switching
 - Dedicated Tandem Trunk Port Service
 - Per DS0/VG trunk port required
 - Per DS1 trunk port required
 - DS1 to VG Channelization

(N)
(N)
(N)
(N)
(N)

- Local Switching
 - Local Switching 1
 - Local Switching 2
 - Local Switching 3
 - Local Switching 4
 - Common Trunk Port Service

(N)
(N)
(N)
(N)
(N)

- Per each Common Transport trunk termination, per minute of use
 - Dedicated End Office Trunk Port Service
 - Per DS0/VG trunk port required
 - Per DS1 trunk port required

(N)
(N)
(N)
(N)
(N)

(H) A customer may not combine its local switching minutes of use with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in 26.1.5(B) following.

(N)
(N)
(N)
(N)

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(N)

26 – BELLSOUTH SWA CONTRACT TARIFFS

(N)

26.1 BellSouth SWA Contract Tariff No. 2002-01 (Cont'd)

(N)

26.1.2 Subscription Conditions (Cont'd)

(N)

(I) Cancellation of BellSouth SWA Contract Tariff No. 2002-01

(N)

- (1) Except as set forth in (3) following, during the term period of BellSouth SWA Contract Tariff No.2002-01, a customer may cancel this BellSouth SWA Contract Tariff and subsequently subscribe to another BellSouth SWA Contract Tariff only one time.

(N)

(N)

(N)

(N)

- (2) Cancellation of BellSouth SWA Contract Tariff No. 2002-01 and subscription to another BellSouth SWA Contract Tariff is allowed only on the anniversary date of BellSouth SWA Contract Tariff No. 2002-01 and upon meeting one of the following conditions:

(N)

(N)

(N)

(N)

- (a) During the first year of BellSouth SWA Contract Tariff No. 2002-01, the local switching usage achieved is 10 percent below the minimum usage;

(N)

(N)

(N)

- (b) During the remaining years of BellSouth SWA Contract Tariff No. 2002-01, the local switching usage is below the minimum usage.

(N)

(N)

- (c) Local switching usage exceeds the discount usage cap.

(N)

- (d) Customer adds CIC codes that are desired to become part of the volume discount contract tariff.

(N)

(N)

- (3) During the term period of BellSouth SWA Contract Tariff No.2002-01, a customer may cancel and subscribe to another Contract Tariff if Switched Access Pricing Flexibility is allowed in additional MSAs and the customer desires to participate.

(N)

(N)

(N)

(N)

- (a) Cancellation of and subscription to another BellSouth SWA Contract Tariff is allowed only on the anniversary date of BellSouth SWA Contract Tariff No. 2002-01;

(N)

(N)

(N)

- (b) The term of the new Contract Tariff will be the remaining years of BellSouth SWA Contract Tariff No. 2002-01.

(N)

(N)

- (J) Rates and charges for the BellSouth SWA services included in BellSouth SWA Contract Tariff No. 2002-01 are as set forth in Section 6 of this Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Section 2 and Section 5 of this Tariff.

(N)

(N)

(N)

(N)

26.1.3 Mergers and Acquisitions and Transfer of Service

(N)

- (A) In the event the customer merges with another company or is acquired by another company; the following regulations will apply:

(N)

(N)

- (1) The customer may elect to terminate subscription to BellSouth SWA Contract Tariff No. 2002-01.

(N)

(N)

- (2) The customer may not combine revenues with the merged or acquired company's revenues for the purpose of obtaining volume discounts provided under BellSouth SWA Contract Tariff No. 2002-01.

(N)

(N)

(N)

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(N)

26 – BELLSOUTH SWA CONTRACT TARIFFS

(N)

26.1 BellSouth SWA Contract Tariff No. 2002-01 (Cont'd)

(N)

26.1.3 Mergers and Acquisitions and Transfer of Service (Cont'd)

(N)

(A) (Cont'd)

(N)

- (3) The customer may continue subscribing to BellSouth SWA Contract Tariff No. 2002-01 for the duration of the contract term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition.

(N)
(N)
(N)
(N)

- (B) If customer requests a transfer of service, pursuant to Transfer of Service regulations in Section 2 and Section 6 of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. 2002-01 shall be terminated.

(N)
(N)
(N)
(N)

26.1.4 BellSouth SWA Revenue Volume Discounts

(N)

- (A) Each year of BellSouth SWA Contract Tariff No. 2002-01 is defined as twelve (12) consecutive bill periods. For purposes of calculating the BellSouth SWA volume discounts, month 1 is the bill period after the beginning date of BellSouth SWA Contract Tariff No. 2002-01. For example, if the beginning date of BellSouth SWA Contract Tariff No. 2002-01 is June 6, 2002 bill period, then month 1 for purposes of calculating the BellSouth SWA volume discounts will be the July 6, 2002 bill period.

(N)
(N)
(N)
(N)
(N)
(N)
(N)

- (B) The BellSouth SWA volume discounts provided herein will be determined during the first month after the end of each year of the BellSouth SWA Contract Tariff No. 2002-01. During the second month following the end of each year of the BellSouth SWA Contract Tariff No. 2002-01, the BellSouth SWA volume discounts will be applied via a credit to the customer's bill.

(N)
(N)
(N)
(N)
(N)
(N)

- (C) True-up provisions will be made during the first quarter after the termination date of BellSouth SWA Contract No. 2002-01.

(N)
(N)

- (D) The BellSouth SWA volume discounts are applicable to the usage sensitive and recurring revenues of the BellSouth SWA services as set forth in 26.1.2(G) preceding.

(N)
(N)
(N)

- (E) The BellSouth SWA volume discounts specified in BellSouth SWA Contract Tariff No. 2002-01 will not be applied to taxes and nonrecurring BellSouth SWA revenues.

(N)
(N)
(N)

- (F) The BellSouth SWA services to which the volume discounts provided under BellSouth SWA Contract Tariff No. 2002-01 apply shall only be subject to service assurance warranty regulations specified in 2.4.4(B) of this Tariff.

(N)
(N)
(N)
(N)

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.1 BellSouth SWA Contract Tariff No. 2002-01 (Cont'd)

26.1.5 BellSouth SWA Contract Tariff No. 2002-01 Volume Discount Plan

- (A) BellSouth SWA Contract Tariff No. 2002-01 provides for annual volume discounts based upon annual local switching minutes of use (MOU) above a stated minimum usage for the MSAs as set forth in 26.1.1(C) preceding. Annual volume discounts will be determined by the local switching usage volume and the year of the contract in which the local switching usage volume is achieved.
- (B) The minimum usage and the achievable volume discounts associated with the BellSouth SWA services, in the qualifying MSAs, are shown in the table below. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in table below:

Minimum Usage (MOU)	Usage Ranges (MOU)	Volume Discount Percentages				
		Year 1	Year 2	Year 3	Year 4	Year 5
3,385,697,632	3,385,697,632 – 3,453,411,585	7%	-	-	-	-
	>3,453,411,585 – 3,724,267,396	10%	15%	20%	-	-
	>3,724,267,396 – 4,401,406,922	15%	20%	25%	30%	35%

- (C) The annual local switching usage included in BellSouth SWA Contract Tariff No. 2002-01 eligible for volume discount is determined by subtracting the minimum usage from the achieved local switching usage for each year.
- (D) Dividing the annual local switching usage eligible for volume discount for a given year of BellSouth SWA Contract Tariff No. 2002-01 by the minimum local switching usage will develop the usage factor.
- (E) A usage factor (greater than zero) will be applied to the eligible BellSouth SWA revenue generated by the BellSouth SWA services identified in 26.1.2(G) preceding. This calculation produces the annual revenue eligible for discount.
- (F) The discount percent achieved, as set forth in (B) preceding, is based upon the minimum usage required, the usage factor achieved and the term year.
- (G) The volume discount received for a given year under BellSouth SWA Contract Tariff No. 2002-01 is determined by multiplying the eligible BellSouth SWA revenue times the discount factor achieved.

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26 – BELLSOUTH SWA CONTRACT TARIFFS (N)

26.1 BellSouth SWA Contract Tariff No. 2002-01 (Cont'd) (N)

26.1.5 BellSouth SWA Contract Tariff No. 2002-01 Incentive Plan Cont'd) (N)

(H) Following is an example of how the annual BellSouth SWA volume discount will be determined. (N)

BellSouth SWA Contract Tariff No. 2002-01 Volume Discount Calculation (N)

Customer Information (N)

Customer subscribed to a five year BellSouth SWA Contract Tariff No. 2002-01 and is in the 4th year of the contract term. The customer's local switching minimum usage is 5,000,000,000 minutes of use. The annual local switching usage for year 4 is 5,750,000,000 minutes of use and the eligible BellSouth SWA revenues for year 4 is \$25,000,000. (N)

Year 4 Usage Eligible for Discount = Year 4 Usage - Minimum Usage (N)

= 5.75B MOU - 5B MOU (N)

= 750M MOU (N)

Year 4 Usage Factor = $\frac{\text{Year 4 Annual Usage}}{\text{Minimum Usage}}$ (N)

= $\frac{750M \text{ MOU}}{5B \text{ MOU}}$ (N)

= .15 (N)

Year 4 Revenue Eligible for Discount = Year 4 Usage Factor X Year 4 eligible BellSouth SWA Revenue (N)

= .15 X \$25,000,000 (N)

= \$3,750,000 (N)

Year 4 Volume Discount = Year 4 Revenue Eligible for Discount X Discount Factor (N)

= \$3,750,000 X .30 (N)

= \$1,125,000 (N)

EFFECTIVE: JUNE 4, 2003

ACCESS SERVICE

26 – BELLSOUTH SWA CONTRACT TARIFFS

26.2 BellSouth SWA Contract Tariff No. 2003-01

26.2.1 General Regulations

(A) The start date of BellSouth SWA Contract Tariff No. 2003-01 is the first bill period following execution of the Letter of Agreement with the customer.

(B) Customers may choose either a one or two year agreement that terminates upon completion.

(C) The regulations, terms, conditions and volume discounts provided herein shall apply to the customer's applicable BellSouth SWA usage and revenues achieved in the Metropolitan Statistical Areas (MSAs) defined below:

- (1) Montgomery, Alabama
- (2) Jacksonville, Florida
- (3) Miami/Ft. Lauderdale/Hollywood, Florida
- (4) Orlando, Florida
- (5) Panama City, Florida
- (6) Atlanta, Georgia
- (7) Columbus, Georgia
- (8) LaFayette, Louisiana

The BellSouth wire centers associated with the above MSAs are as set forth in Section 24 of this Tariff.

26.2.2 Subscription Conditions

(A) To subscribe to BellSouth SWA Contract Tariff No. 2003-01, the customer and the Telephone Company must execute a Letter of Agreement. The Telephone Company shall provide a Letter of Agreement for the customer to execute. The Letter of Agreement shall contain:

- (1) BellSouth SWA Contract Tariff No. 2003-01 tariff reference
- (2) Start and termination date
- (3) Customer's Name and Billing Address
- (4) Billing Account Number the credit will be applied
- (5) Access Customer Name Abbreviations (ACNAs) and Customer Identifications Codes (CICs) to be included in the BellSouth SWA Contract Tariff No. 2003-01
- (6) BellSouth SWA Contract Tariff No. 2003-01 term (i.e., one or two years)
- (7) MSAs included
- (8) Commitment Level Usage

EFFECTIVE: JUNE 4, 2003

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26 - BELLSOUTH SWA CONTRACT TARIFFS

26.2 BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

26.2.2 Subscription Conditions (Cont'd)

- (B) To subscribe to BellSouth SWA Contract Tariff No. 2003-01, the customer must have been a BellSouth SWA customer for the previous 12-months. (N)
- (C) The customer's most recent 12 months local switching usage will be projected forward for 12 months. The customer's annual usage commitment level will be a minimum of 90 percent of this projection. (N)
- (D) When the customer subscribes to BellSouth SWA Contract Tariff No. 2003-01, the customer must identify to the Telephone Company, all Access Customer Name Abbreviations (ACNAs) and Carrier Identification Codes (CICs) to be included in BellSouth SWA Contract Tariff No. 2003-01. (N)
- (E) The customer must be the billing responsible party for all BellSouth SWA billing elements associated with the ACNAs and CICs included in the Letter of Agreement. (N)
- (F) Any additions after the Letter of Agreement is executed will be handled as a merger or acquisition or transfer of service regulations as set forth in 26.2.3 following. (N)
- (G) A customer subscribing to BellSouth SWA Contract Tariff No. 2003-01 may not subscribe to any other BellSouth SWA Contract Tariff in the MSAs as described in 26.2.1 preceding and for the services as set forth in (H) following. (N)
- (H) The following BellSouth SWA services, provided in the MSAs as described in 26.2.1(C) preceding, will be used in determining the BellSouth SWA revenues that are eligible to receive the volume discount based on the established local switching usage Commitment Level. (N)
 - Local Switching (N)
 - Local Switching 1 (N)
 - Local Switching 2 (N)
 - Local Switching 3 (N)
 - Local Switching 4 (N)
- (I) A customer may not combine its local switching minutes of use with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in 26.2.5(B) following. (N)
- (J) Cancellation of BellSouth SWA Contract Tariff No. 2003-01 (N)
 - (1) Except as set forth in (2) following, during the term period of BellSouth SWA Contract Tariff No. 2003-01 as defined by the customer's Letter of Agreement, a customer who cancels this BellSouth Contract Tariff No. 2003-01 is subject to shortfall and termination liability as described in 26.2.5, following. (N)

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(N)

26 – BELLSOUTH SWA CONTRACT TARIFFS

(N)

26.2 BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

(N)

26.2.2 Subscription Conditions (Cont'd)

(N)

(J) Cancellation of BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

(N)

- (2) A customer who cancels this BellSouth SWA Contract Tariff No. 2003-01 under this paragraph is subject only to shortfall calculations of 27.1.5, following. Cancellation of BellSouth SWA Contract Tariff No. 2003-01 and subscription to another BellSouth SWA Contract Tariff is allowed only on the anniversary date as defined by the customer's Letter of Agreement and upon meeting one of the two conditions below. At a minimum, the term of the new Letter of Agreement will be the remaining term of the initial Letter of Agreement.

(N)

(N)

(N)

(N)

(N)

(N)

(N)

(N)

- (a) Customer adds CIC codes that are desired to become part of the volume discount commitment level usage.

(N)

(N)

- (b) Switched Access Pricing Flexibility is allowed in additional MSAs and the customer desires to participate.

(N)

(N)

- (K) The services to which the incentives set forth in this BellSouth SWA Contract Tariff No. 2003-01 apply, are obtained from Section 6 of this Tariff. The Telephone Company reserves the right to change the terms, conditions, rates, and charges applicable for services in Section 6 or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified in this Contract Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Section 2 and Section 5 of this Tariff.

(N)

(N)

(N)

(N)

(N)

(N)

(N)

(N)

26.2.3 Mergers and Acquisitions and Transfer of Service

(N)

- (A) In the event the customer merges with another company or is acquired by another company; the following regulations will apply:

(N)

(N)

- (1) The customer may elect to terminate subscription to BellSouth SWA Contract Tariff No. 2003-01. A customer who cancels subscription to BellSouth SWA Contract Tariff No. 2003-01 is subject to shortfall and termination liability as described in 26.2.5, following.

(N)

(N)

(N)

(N)

- (2) The customer may not combine Local Switching usage volumes with the merged or acquired company's Local Switching usage volumes for the purpose of obtaining volume discounts provided under BellSouth SWA Contract Tariff No. 2003-01.

(N)

(N)

(N)

(N)

(N)

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.2 BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

26.2.3 Mergers and Acquisitions and Transfer of Service (Cont'd)

(A) (Cont'd)

- (3) The customer may continue subscribing to BellSouth SWA Contract Tariff No. 2003-01 for the duration of the contract term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition.

- (B) If customer requests a transfer of service, pursuant to Transfer of Service regulations in Section 2 and Section 6 of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. 2003-01 shall be terminated.

26.2.4 BellSouth SWA Revenue Volume Discounts

- (A) Each year of the customer's Letter of Agreement is defined as twelve (12) consecutive complete bill periods following the beginning date of the Letter of Agreement. For purposes of calculating the BellSouth SWA volume discounts, month 1 is the first complete bill period after the beginning date of the Letter of Agreement. For example, if the beginning date of the Letter of Agreement is June 6, 2003, and the bill period is the 12th, then month 1 for purposes of calculating the BellSouth SWA volume discounts will be the July 12th, 2003 bill period.
- (B) The BellSouth SWA volume discounts provided herein will be determined during the first month after the end of each year of the customer's Letter of Agreement. During the second month following the end of each year of the Letter of Agreement, the BellSouth SWA volume discounts will be applied via a credit to the customer's bill.
- (C) The BellSouth SWA volume discounts are applicable to the BellSouth SWA services as set forth in 26.2.2(H) preceding.
- (D) The BellSouth SWA volume discounts specified in BellSouth SWA Contract Tariff No. 2003-01 will not be applied to taxes and nonrecurring BellSouth SWA revenues.

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.2 BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

26.2.5 BellSouth SWA Contract Tariff No. 2003-01 Volume Discount Plan

- (A) BellSouth SWA Contract Tariff No. 2003-01 provides for annual volume discounts based upon annual local switching minutes of use (MOU) achieved, and the Commitment Level and term year as defined in the Letter of Agreement. Discounts are achieved in term years when the achieved local switching volume is equal to or above a Commitment Level usage for the MSAs as set forth in 26.2.1(C) preceding. When equaled or exceeded, discounts are applied to the Commitment Level usage.
- (B) The Commitment Level usage and the achievable volume discounts associated with the BellSouth SWA services, in the qualifying MSAs, are shown in the table below. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in table below:

Annual Usage Commitment Level and Discounts		
Commitment Level MOUs	Year 1 Discounts	Year 2 Discounts
> 500M to 1B	0.7%	1.2%
> 1B to 3B	1.3%	1.8%
> 3B to 5B	2.7%	3.2%
> 5B to 7B	4.0%	4.5%
> 7B to 9B	5.4%	5.9%
> 9B	6.7%	7.2%

- (C) The volume discount received for a given year under BellSouth SWA Contract Tariff No. 2003-01 is determined by multiplying the eligible BellSouth SWA revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in (A) preceding.

The following example demonstrates application of the discount:

Customer Annual Commitment Level – 6B minutes of use
 Achieved Volume – 6.3B minutes of use
 Contract Year – first year of a one-year contract
 All usage is Local Switching 2
 Local Switching 2 rate – \$.002158/minute
 From Table – applicable discount is 4 percent

Therefore:

Volume Discount = Eligible Revenue X Discount Rate

Volume Discount = (6B minutes X \$.002158/minute) X 4 percent

Volume Discount = \$517,920

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.2 BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

26.2.5 BellSouth SWA Contract Tariff No. 2003-01 Discount Plan (Cont'd)

(D) When the Commitment Level usage volume is not met during a year of the term, a shortfall liability is incurred by the customer. The shortfall usage is equal to the difference in the customer's Commitment Level and the achieved local switching usage volume. The shortfall liability would be equal to the shortfall usage, times the customer's average local switching rate per MOU. The customer's average local switching rate per MOU is equal to revenue generated from the local switching usage rate elements as described in 26.2.2(H) preceding, divided by the achieved local switching usage volume.

The following example demonstrates application of shortfall:

Customer Annual Commitment Level – 6B minutes of use
Achieved Volume – 5.9B minutes of use
Contract Year – first year of a one-year contract
All usage is Local Switching 2
Local Switching 2 rate - \$.002158/minute

Therefore:

Shortfall Usage = Commitment Level – Achieved Volume

Shortfall Usage = 6B minutes – 5.9B minutes

Shortfall Usage = .1B minutes

Shortfall Liability = Shortfall Usage X Avg Local Switching Rate

Shortfall Liability = .1B minutes X \$.002158/minute

Shortfall Liability = \$215,800

(E) In the event of an early termination of the contract, shortfall usage calculations will be based upon the monthly usage values which comprise the annual Commitment Level. If upon comparing the shortened term commitment to the achieved usage level, a shortfall usage is determined to exist, then a shortfall liability is incurred. The shortfall liability will be calculated as described in (D) above.

(F) A termination liability is incurred when a customer terminates the agreement before the end date of the agreement. The termination liability is equal to 90 percent of the volume discount received during the term of the agreement.

TARIFF F.C.C. NO. 1
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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.2 BellSouth SWA Contract Tariff No. 2003-01 (Cont'd)

26.2.5 BellSouth SWA Contract Tariff No. 2003-01 Volume Discount Plan (Cont'd)

- (G) This BellSouth SWA Contract Tariff No. 2003-01 will also provide, as a one-time promotional offer, that the customer may obtain a partial prepayment of the first annual SWA Pricing Flexibility volume discount. To qualify for this prepayment, the customer must subscribe to this plan via a Letter of Agreement (LOA) to begin no later than 30 days after the effective date of the tariff. Using the customer's usage between the commencement of this LOA and December 4, 2003, BellSouth will determine if the customer is on track to earn the discount described at the end of the first year of the LOA. If so, BellSouth will calculate by December 15, 2003, the prorated volume discount and remit to the subscriber the prepayment of this pro rata volume discount as soon as practical thereafter. At the end of the first year of the LOA, if an annual credit has been earned, the prepayment will be subtracted from this annual volume discount amount. If, at the end of the first year, the volume discount has not been earned, then the prepayment shall be returned to BellSouth with interest calculated for the period during which the prepayment was held by the customer (Interest equals prime plus two percent – the prime interest rate is that rate which is effective at the end of the first year of the LOA.).

EFFECTIVE: AUGUST 3, 2005

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.3 BellSouth SWA Contract Tariff No. 2005-01

26.3.1 General Regulations

(A) The start date of BellSouth SWA Contract Tariff No. 2005-01 is the first bill period following execution of the Letter of Agreement with the customer.

(B) Customers may choose a one year agreement that terminates upon completion.

(C) The regulations, terms, conditions and volume discounts provided herein shall apply to the customer's applicable BellSouth SWA usage and revenues achieved in the Metropolitan Statistical Areas (MSAs) defined below:

- (1) Montgomery, Alabama
- (2) Jacksonville, Florida
- (3) Miami/Ft. Lauderdale/Hollywood, Florida
- (4) Orlando, Florida
- (5) Panama City, Florida
- (6) Atlanta, Georgia
- (7) Columbus, Georgia
- (8) LaFayette, Louisiana

The BellSouth wire centers associated with the above MSAs are as set forth in Section 24 of this Tariff.

26.3.2 Subscription Conditions

(A) To subscribe to BellSouth SWA Contract Tariff No. 2005-01, the customer and the Telephone Company must execute a Letter of Agreement. The Telephone Company shall provide a Letter of Agreement for the customer to execute. The Letter of Agreement shall contain:

- (1) BellSouth SWA Contract Tariff No. 2005-01 tariff reference
- (2) Start and termination date
- (3) Customer's Name and Billing Address
- (4) Billing Account Number the credit will be applied
- (5) Access Customer Name Abbreviations (ACNAs) and Customer Identifications Codes (CICs) to be included in the BellSouth SWA Contract Tariff No. 2005-01
- (6) BellSouth SWA Contract Tariff No. 2005-01 term
- (7) MSAs included
- (8) Commitment Level Usage

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.3 BellSouth SWA Contract Tariff No. 2005-01 (Cont'd)

26.3.2 Subscription Conditions (Cont'd)

- (B) To subscribe to BellSouth SWA Contract Tariff No. 2005-01, the customer must have been a BellSouth SWA customer for the previous 12-months. (N)
- (C) The customer annual commitment level will be that as stated in the Letter of Agreement. The annual commitment level must be in the ranges as stated in 26.3.5.(C) following. (N)
- (D) When the customer subscribes to BellSouth SWA Contract Tariff No. 2005-01, the customer must identify to the Telephone Company, all Access Customer Name Abbreviations (ACNAs) and Carrier Identification Codes (CICs) to be included in BellSouth SWA Contract Tariff No. 2005-01. (N)
- (E) The customer must be the billing responsible party for all BellSouth SWA billing elements associated with the ACNAs and CICs included in the Letter of Agreement. (N)
- (F) Any additions after the Letter of Agreement is executed will be handled as a merger or acquisition or transfer of service regulations as set forth in 26.3.3 following. (N)
- (G) A customer subscribing to BellSouth SWA Contract Tariff No. 2005-01 may not subscribe to any other BellSouth SWA Contract Tariff in the MSAs as described in 26.3.1 preceding and for the services as set forth in (H) following. (N)
- (H) The following BellSouth SWA services, provided in the MSAs as described in 26.3.1(C) preceding, will be used in determining the BellSouth SWA revenues that are eligible to receive the volume discount based on the established local switching usage Commitment Level. (N)
 - Local Switching (N)
 - Local Switching 1 (N)
 - Local Switching 2 (N)
 - Local Switching 3 (N)
 - Local Switching 4 (N)
- (I) A customer may not combine its local switching minutes of use with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in 26.3.5(B) following. (N)

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- ACCESS SERVICE (N)
- 26 – BELLSOUTH SWA CONTRACT TARIFFS (N)
- 26.3 BellSouth SWA Contract Tariff No. 2005-01 (Cont'd) (N)
- 26.3.2 Subscription Conditions (Cont'd) (N)
- (J) Cancellation of BellSouth SWA Contract Tariff No. 2005-01 (N)
- (1) Cancellation of BellSouth SWA Contract Tariff No. 2005-01 and subscription to another BellSouth SWA Contract Tariff is allowed only on the anniversary date as defined by the customer's Letter of Agreement and upon meeting one of the two conditions below. At a minimum, the term of the new Letter of Agreement will be the remaining term of the initial Letter of Agreement. (N)
- (a) Customer adds CIC codes that are desired to become part of the volume discount commitment level usage. (N)
- (b) Switched Access Pricing Flexibility is allowed in additional MSAs and the customer desires to participate. (N)
- (K) The services to which the incentives set forth in this BellSouth SWA Contract Tariff No. 2005-01 apply, are obtained from Section 6 of this Tariff. The Telephone Company reserves the right to change the terms, conditions, rates, and charges applicable for services in Section 6 or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified in this Contract Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Section 2 and Section 5 of this Tariff. (N)
- 26.3.3 Mergers and Acquisitions and Transfer of Service (N)
- (A) In the event the customer merges with another company or is acquired by another company; the following regulations will apply: (N)
- (1) The customer may not combine Local Switching usage volumes with the merged or acquired company's Local Switching usage volumes for the purpose of obtaining volume discounts provided under BellSouth SWA Contract Tariff No. 2005-01. (N)

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.3 BellSouth SWA Contract Tariff No. 2005-01 (Cont'd)

26.3.3 Mergers and Acquisitions and Transfer of Service (Cont'd)

(A) In the event the customer merges with another company or is acquired by another company; the following regulations will apply: (Cont'd)

(2) The customer may continue subscribing to BellSouth SWA Contract Tariff No. 2005-01 for the duration of the contract term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition.

(B) If customer requests a transfer of service, pursuant to Transfer of Service regulations in Section 2 and Section 6 of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. 2005-01 shall be terminated.

26.3.4 BellSouth SWA Revenue Volume Discounts

(A) The year of the customer's Letter of Agreement is defined as twelve (12) consecutive complete bill periods following the beginning date of the Letter of Agreement. For purposes of calculating the BellSouth SWA volume discounts, month 1 is the first complete bill period after the beginning date of the Letter of Agreement. For example, if the beginning date of the Letter of Agreement is June 6, 2005, and the bill period is the 12th, then month 1 for purposes of calculating the BellSouth SWA volume discounts will be the July 12th, 2005 bill period.

(B) The BellSouth SWA volume discounts provided herein will be determined during the first month after the end of the year of the customer's Letter of Agreement. During the second month following the end of the year of the Letter of Agreement, the BellSouth SWA volume discounts will be applied via a credit to the customer's bill.

(C) The BellSouth SWA volume discounts are applicable to the BellSouth SWA services as set forth in 26.3.2(K) preceding.

(D) The BellSouth SWA volume discounts specified in BellSouth SWA Contract Tariff No. 2005-01 will not be applied to taxes and nonrecurring BellSouth SWA revenues.

26.3.5 BellSouth SWA Contract Tariff No. 2005-01 Volume Discount Plan

(A) BellSouth SWA Contract Tariff No. 2005-01 provides for annual volume discounts based upon annual local switching minutes of use (MOU) achieved, and the Commitment Level and term year as defined in the Letter of Agreement. Discounts are achieved in a term year when the achieved local switching volume is equal to or above a Commitment Level usage for the MSAs as set forth in 26.3.1(C) preceding. When equaled or exceeded, discounts are applied to the Commitment Level usage.

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.3 BellSouth SWA Contract Tariff No. 2005-01 (Cont'd)

26.3.5 BellSouth SWA Contract Tariff No. 2005-01 Volume Discount Plan (Cont'd)

- (B) The Commitment Level usage and the achievable volume discounts associated with the BellSouth SWA services, in the qualifying MSAs, are shown in the table following. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in table following.
- (C) Commitment Level usage and the achievable volume discounts associated with the BellSouth SWA Common Transport IP Option, which allows termination or origination (when/where available and capacity permits) of Internet Protocol (IP) traffic, are shown in the table below. The SWA Common Transport IP Option discount will be in addition to the discount obtained from the BellSouth SWA services as described in E26.3B preceding. Only SWA Common Transport IP Option MOU are eligible for the discounts as described in the table for Additional SWA Common Transport IP Option Discounts section in the table below:

Annual Usage Commitment Level and Discounts		
Commitment Level MOUs	BellSouth SWA services discounts as described on E26.3.5A	Additional SWA Common Transport IP Option Discounts as described in E26.3.5C
> 500M to 1B	0.7%	12.7%
> 1B to 2B	1.3%	12.7%
> 2B to 3B	1.3%	18.2%
> 3B to 4B	2.7%	18.2%
> 4B	4.0%	23.5%

- (D) The volume discount received for a given year under BellSouth SWA Contract Tariff No. 2005-01 is determined by multiplying the eligible BellSouth SWA revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in (A) preceding.

The following example demonstrates application of the discount:
 Customer Annual Commitment Level – 4B minutes of use
 Achieved Volume – 4.2B minutes of use
 Contract Year – first year of a one-year contract
 All usage is Local Switching 2
 Local Switching 2 rate - \$.002158/minute

From Table – applicable discount is 4 percent
 Therefore:

Volume Discount = Eligible Revenue X Discount Rate
 Volume Discount = (4B minutes X \$.002158/minute) X 4 percent
 Volume Discount = \$345,280

(T)

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.3 BellSouth SWA Contract Tariff No. 2005-01 (Cont'd)

26.3.5 BellSouth SWA Contract Tariff No. 2005-01 Discount Plan (Cont'd)

- (E) The SWA Common Transport IP Option MOU volume discount received for the year under the BellSouth SWA Contract Tariff No. 2005-01 is determined by multiplying the eligible SWA Common Transport IP Option revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in A. preceding.

The following example demonstrates application of the Annual SWA Common Transport IP Option discount:

Customer Annual Commitment Level – 4B minutes of use
Achieved Volume – 4.2B minutes of use (10M minutes of use are SWA Common Transport IP Option minutes of use)
Contract Year – first year of a one-year contract
Annual Discount for SWA Common Transport IP Option
Local Switching 2 rate - \$.002136/minutes
From Table – applicable SWA Common Transport IP Option discount is 23.5 percent

Therefore:

Additional SWA Common Transport IP Option Volume Discount =
Eligible Revenue X Discount Rate
Additional SWA Common Transport IP Option Volume Discount = (10M minutes X \$.002136/minute)X23.5 percent
Additional SWA Common Transport IP Option Volume Discount = \$5,019.6

- (F) This BellSouth SWA Contract Tariff No. 2005-01 will also provide, as a one-time promotional offer, that the customer may obtain a partial prepayment of the first annual SWA Pricing Flexibility volume discount. To qualify for this prepayment, the customer must subscribe to this plan via a Letter of Agreement (LOA) to begin no later than 30 days after the effective date of the tariff. Using the customer's usage between the commencement of this LOA and December 4, 2005, BellSouth will determine if the customer is on track to earn the discount described at the end of the year of the LOA. If so, BellSouth will calculate by December 15, 2005, the prorated volume discount and remit to the subscriber the prepayment of this pro rate volume discount as soon as practical thereafter. At the end of the year of the LOA, if an annual credit has been earned, the prepayment will be subtracted from this annual volume discount amount. If, at the end of the year, the volume discount has not been earned, then the prepayment shall be returned to BellSouth with interest calculated for the period during which the prepayment was held by the customer (Interest equals prime plus two percent – the prime interest rate is that rate which is effective at the end of the year of the LOA.).

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.4 BellSouth SWA Contract Tariff No. 2005-02

26.4.1 General Regulations

- (A) The start date of BellSouth SWA Contract Tariff No. 2005-02 is the first bill period following execution of the Letter of Agreement with the customer.
- (B) Customers may choose a one year agreement that terminates upon completion.
- (C) The regulations, terms, conditions and volume reward provided herein shall apply to the customer's applicable BellSouth SWA usage and revenues achieved in the Metropolitan Statistical Areas (MSAs) defined below:
- (1) Montgomery, Alabama
 - (2) Jacksonville, Florida
 - (3) Miami/Ft. Lauderdale/Hollywood, Florida
 - (4) Orlando, Florida
 - (5) Panama City, Florida
 - (6) Atlanta, Georgia
 - (7) Columbus, Georgia
 - (8) LaFayette, Louisiana

The BellSouth wire centers associated with the above MSAs are as set forth in Section 24 of this Tariff.

26.4.2 Subscription Conditions

- (A) To subscribe to BellSouth SWA Contract Tariff No. 2005-02, the customer and the Telephone Company must execute a Letter of Agreement. The Telephone Company shall provide a Letter of Agreement for the customer to execute. The Letter of Agreement shall contain:
- (1) BellSouth SWA Contract Tariff No. 2005-02 tariff reference
 - (2) Start and termination date
 - (3) Customer's Name and Billing Address
 - (4) Billing Account Number the credit will be applied
 - (5) Access Customer Name Abbreviations (ACNAs) and Customer Identifications Codes (CICs) to be included in the BellSouth SWA Contract Tariff No. 2005-02
 - (6) BellSouth SWA Contract Tariff No. 2005-02 term
 - (7) MSAs included
 - (8) Commitment Level Usage
 - (9) Commitment Level 8XX Toll Free Dialing Ten Digit Screening Service Queries
- (B) To subscribe to BellSouth SWA Contract Tariff No. 2005-02, the customer must have been a BellSouth SWA customer for the previous 12-months.
- (C) The customer annual commitment level will be that as stated in the Letter of Agreement. The annual commitment level must be in the ranges as stated in 26.4.5.(C) following.

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26 - BELLSOUTH SWA CONTRACT TARIFFS

26.4 BellSouth SWA Contract Tariff No. 2005-02 (Cont'd)

26.4.2 Subscription Conditions (Cont'd)

- (D) When the customer subscribes to BellSouth SWA Contract Tariff No. 2005-02, the customer must identify to the Telephone Company, all Access Customer Name Abbreviations (ACNAs) and Carrier Identification Codes (CICs) to be included in BellSouth SWA Contract Tariff No. 2005-02.
- (E) The customer must be the billing responsible party for all BellSouth SWA billing elements associated with the ACNAs and CICs included in the Letter of Agreement. However, if the customer becomes the responsible party for additional BellSouth SWA billing elements associated with additional ACNA's and CIC's within eleven (11) month's after the effective date of this BellSouth SWA Contract Tariff no. 2005-02, BellSouth will allow the additional ACNA's and CIC's to be included. However, if the customer becomes the responsible party for additional BellSouth SWA billing elements associated with additional ACNA's and CIC's within eleven (11) month's after the effective date of this BellSouth SWA Contract Tariff No. 2005-02, BellSouth will allow the additional ACNA's and CIC's to be included.
- (F) Any additions after the Letter of Agreement is executed will be handled as a merger or acquisition or transfer of service regulations as set forth in 26.4.3 following.
- (G) A customer subscribing to BellSouth SWA Contract Tariff No. 2005-02 may not subscribe to any other BellSouth SWA Contract Tariff in the MSAs as described in 26.4.1 preceding and for the services as set forth in (H).
- (H) The following BellSouth SWA services, provided in the MSAs as described in 26.4.1(C) preceding, will be used in determining the BellSouth SWA revenues that are eligible to receive the volume reward based on the established local switching usage Commitment Level and SWA 8XX Toll Free Dialing Ten Digit Screening Service.
- (a) Local Switching
 - Local Switching 1
 - Local Switching 2
 - Local Switching 3
 - Local Switching 4
 - (b) SWA 8XX Toll Free Dialing Ten Digit Screening Service
 - Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with Toll Free Dialing Number Delivery
 - Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with Toll Free Dialing Number Delivery for Toll Free Dialing Numbers with Optional and Destination Features
 - Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with POTS Number Delivery
 - Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with POTS Number Delivery for Toll Free Dialing Numbers with Optional Complex Feature, i.e., Call Handling and Destination Features.

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.4 BellSouth SWA Contract Tariff No. 2005-02 (Cont'd)

26.4.2 Subscription Conditions (Cont'd)

- (I) A customer may not combine its local switching minutes of use or SWA 8XX Toll Free Dialing Ten Digit Screening Service with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in 26.4.5(B) following. For a customer to qualify for this 2005-02 SWA Contract Tariff, the customer must have at least 3 billion SWA local switching minutes of use and 400M SWA 8XX Toll Free Dialing Ten Digit Screening Service queries.
- (J) The services to which the incentives set forth in this BellSouth SWA Contract Tariff No. 2005-02 apply, are obtained from Section 6 of this Tariff. The Telephone Company reserves the right to change the terms, conditions, rates, and charges applicable for services in Section 6 or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified in this Contract Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Section 2 and Section 5 of this Tariff.

26.4.3 Mergers and Acquisitions and Transfer of Service

- (A) In the event the customer merges with another company or is acquired by another company; the following regulations will apply:
- (1) The customer may not combine Local Switching usage volumes and SWA 8XX Toll Free Dialing Ten Digit Screening Service queries with the merged or acquired company's Local Switching usage volumes and SWA 8XX Toll Free Dialing Ten Digit Screening Service queries for the purpose of obtaining volume rewards provided under BellSouth SWA Contract Tariff No. 2005-02.
- (2) The customer may continue subscribing to BellSouth SWA Contract Tariff No. 2005-02 for the duration of the contract term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition.
- (B) If the customer requests a transfer of service, pursuant to Transfer of Service regulations in Section 2 and Section 6 of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. 2005-02 shall be terminated.

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(N)

26 – BELLSOUTH SWA CONTRACT TARIFFS

(N)

26.4 BellSouth SWA Contract Tariff No. 2005-02 (Cont'd)

(N)

26.4.4 BellSouth SWA Revenue Volume Rewards

(N)

(A) The year of the customer's Letter of Agreement is defined as twelve (12) consecutive complete bill periods following the beginning date of the Letter of Agreement. For purposes of calculating the BellSouth SWA volume rewards, month 1 is the first complete bill period after the beginning date of the Letter of Agreement. For example, if the beginning date of the Letter of Agreement is June 6, 2006, and the bill period is the 12th, then month 1 for purposes of calculating the BellSouth SWA volume rewards will be the July 12th, 2006 bill period.

(N)
(N)
(N)
(N)
(N)
(N)
(N)

(B) The BellSouth SWA volume rewards provided herein will be determined during the first month after the end of the year of the customer's Letter of Agreement. During the second month following the end of the year of the Letter of Agreement, the BellSouth SWA volume rewards will be applied via a credit to the customer's bill.

(N)
(N)
(N)
(N)
(N)

(C) The BellSouth SWA volume rewards are applicable to the BellSouth SWA services as set forth in 26.4.2(K) preceding.

(N)
(N)

(D) The BellSouth SWA volume rewards specified in BellSouth SWA Contract Tariff No. 2005-02 will not be applied to taxes and nonrecurring BellSouth SWA revenues.

(N)
(N)
(N)

26.4.5 BellSouth SWA Contract Tariff No. 2005-02 Volume Reward Plan

(N)

(A) BellSouth SWA Contract Tariff No. 2005-02 provides for annual volume rewards based upon annual local switching minutes of use (MOU) and annual SWA 8XX Toll Free Dialing Ten Digit Screening Service queries achieved, and the Commitment Level and term year as defined in the Letter of Agreement. Rewards are achieved in a term year when the achieved local switching volume and/or SWA 8XX Toll Free Dialing Ten Digit Screening Service is equal to or above a Commitment Level usage/queries for the MSAs as set forth in 26.4.1(C) preceding.

(N)
(N)
(N)
(N)
(N)
(N)
(N)

When equaled or exceeded, rewards are applied to the Commitment Level usage and/or SWA 8XX Toll Free Dialing Ten Digit Screening Service queries. If the customer's achieved volume is below the Commitment Level usage and/or SWA 8XX Toll Free Dialing Ten Digit Screening Service queries, no rewards will be rewarded to the customer.

(N)
(N)
(N)
(N)
(N)

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.4 BellSouth SWA Contract Tariff No. 2005-02 (Cont'd)

26.4.5 BellSouth SWA Contract Tariff No. 2005-02 Volume Reward Plan (Cont'd)

- (B) The Commitment Level usage, 8XX Toll Free Dialing Ten Digit Screening Service queries and the achievable volume rewards associated with the BellSouth SWA services, in the qualifying MSAs, are shown in the table following. Volume rewards are not applicable to any usage levels or SWA 8XX Toll Free Dialing Ten Digit Screening Service Queries outside of the MOU usage ranges or SWA 8XX Queries stated in following tables.
- (C) Commitment Level usage, SWA 8XX Toll Free Dialing Ten Digit Screening Service queries and the achievable volume rewards associated with the BellSouth SWA Common Transport IP Option, which allows termination or origination (when/where available and capacity permits) of Internet Protocol (IP) traffic, are shown in the tables below. The SWA Common Transport IP Option reward will be in addition to the reward obtained from the BellSouth SWA services as described in 26.4.5B preceding. Only SWA Common Transport IP Option MOU that go through the BellSouth tandem are eligible for the rewards as described in the table for Additional SWA Common Transport IP Option Rewards section in the table below:

Annual Usage Commitment Level and Rewards		
Commitment Level MOUs	BellSouth SWA services rewards as described in 26.4.5A	Additional SWA Common Transport IP Option Rewards as described in 26.4.5C
> 3B to 4B	2.7%	18.2%
> 4B	4.0%	23.5%

Annual 8XX Toll Free Dialing Ten Digit Screening Service Commitment Level and Rewards	
Commitment Level Queries	BellSouth SWA services rewards as described in 26.4.5A
> 400M to 450M	7.0%
> 450M to 500M	10.0%
> 500M	15.0%

All BellSouth marks contained herein and as set forth in the trademarks and servicemarks section of this Tariff are owned by BellSouth Intellectual Property Corporation.

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.4 BellSouth SWA Contract Tariff No. 2005-02 (Cont'd)

26.4.5 BellSouth SWA Contract Tariff No. 2005-02 Volume Reward Plan (Cont'd)

- (D) The SWA Usage volume reward received for a given year under BellSouth SWA Contract Tariff No. 2005-02 is determined by multiplying the eligible BellSouth SWA revenue associated with the Commitment Level usage, times the reward percentage achieved as determined in (A) preceding.

The following example demonstrates application of the reward:

Customer Annual Commitment Level – 3.1B minutes of use

Achieved Volume – 4.2B minutes of use

Contract Year – first year of a one-year contract

All usage is Local Switching 2

Local Switching 2 rate - \$.002158/minute

From Table – applicable reward is 4 percent

Therefore:

Volume Reward = Eligible Revenue X Reward Rate

Volume Reward = (4.2B minutes X \$.002158/minute) X 2.7 percent

Volume Reward = \$244,717

- (E) The SWA Common Transport IP Option MOU volume reward received for the year under the BellSouth SWA Contract Tariff No. 2005-02 is determined by multiplying the eligible SWA Common Transport IP Option revenue associated with the Commitment Level usage, times the reward percentage achieved as determined in A. preceding.

The following example demonstrates application of the Annual SWA Common Transport IP Option reward:

Customer Annual Commitment Level – 3.1B minutes of use

Achieved Volume – 4.2B minutes of use (10M minutes of use are SWA Common Transport IP Option minutes of use)

Contract Year – first year of a one-year contract

Annual Discount for SWA Common Transport IP Option

Local Switching 2 rate - \$.002158/minutes

From Table – applicable SWA Common Transport IP Option reward is 18.1 percent

Therefore:

Additional SWA Common Transport IP Option Volume Reward = Eligible Revenue X Discount Rate

Additional SWA Common Transport IP Option Volume Reward = (10M minutes X \$.002158/minute) X 18.2 percent

Additional SWA Common Transport IP Option Volume Reward = \$3,928

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26 – BELLSOUTH SWA CONTRACT TARIFFS

26.4 BellSouth SWA Contract Tariff No. 2005-02 (Cont'd)

26.4.5 BellSouth SWA Contract Tariff No. 2005-02 Volume Reward Plan (Cont'd)

- (F) The SWA 8XX Toll Free Dialing Ten Digit Screening Service Query volume reward received for a given year under BellSouth SWA Contract Tariff No. 2005-02 is determined by multiplying the eligible BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service queries total billed revenue, times the reward percentage achieved as determined in (A) preceding.

The following example demonstrates application of the reward:
Customer Annual Commitment Level – 405M queries
Achieved Volume – 455M queries
Contract Year – first year of a one-year contract
Total Billed Revenue 8XX Toll Free Dialing Ten Digit Screening
Service query total billed revenue from contract term =\$1,820,000

From Table – applicable reward is 7 percent

Therefore:

Volume Reward = Total billed revenue X reward percent
Volume Reward = (\$1,820,000 X 7 percent)
Volume Reward = \$127,400

- (G) This BellSouth SWA Contract Tariff No. 2005-02 will also provide, as a one-time promotional offer, that the customer may obtain a partial prepayment of the first annual SWA Pricing Flexibility volume reward. To qualify for this prepayment, the customer must subscribe to this plan via a Letter of Agreement (LOA) to begin no later than thirty (30) days after the effective date of the tariff. Using the customer's usage between the commencement of this LOA and December 4, 2006, BellSouth will determine if the customer is on track to earn the reward described at the end of the year of the LOA. If so, BellSouth will calculate by December 15, 2006, the prorated volume reward and remit to the subscriber the prepayment of this pro rate volume reward as soon as practical thereafter. At the end of the year of the LOA, if an annual credit has been earned, the prepayment will be subtracted from this annual volume reward amount. If, at the end of the year, the volume reward has not been earned, then the prepayment shall be returned to BellSouth with interest calculated for the period during which the prepayment was held by the customer (Interest equals prime plus two percent (2% - the prime interest rate is that rate which is effective at the end of the year of the LOA.)).