25. Pricing Flexibility Contract Offerings (N)

25.1 Contract Offer No. 1 – MVP DS1, DS3 and OCN Service Offer

25.1.1 General Description

MVP DS1, DS3 and OCN Service Offer ("Contract Offer No. 1") is an access discount pricing plan where subscription is required in four of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, Southern New England Telephone Company and Pacific Bell Telephone Company. This Offering provides a 50% discount off recurring tariff rates for DS1, DS3, and OCN Services that meet the Eligibility Criteria as described in Section 25.1.3 and are subject to the Terms and Conditions as described in Section 25.1.4.

Customers must commit to a Current Annual Revenue Commitment (CARC), as described in Section 25.1.5. To ensure that the customer will meet the CARC by end of year 2004 and 2005, the Telephone Company will review revenue quarterly. In the event the customer is not meeting their CARC, the customer will be required to remit payments, via the quarterly True-Up process described in Section 25.1.6, otherwise termination liabilities will apply.

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

25.1.2 Services Available Under Contract Offer No. 1

(A) This Contract Offer No. 1 offers discounts on the recurring rates for the Price Flex eligible DS1, DS3 and OCN Access Services (hereafter referred to as Subject Services) contained in the Tariff Sections listed below, and only in the Metropolitan Statistical Areas (hereafter referred to as MSAs) defined in Section 25.1.4(C).

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

(N)

25. Pricing Flexibility Contract Offerings (N)

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

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

(B) Purchase of the Subject Services listed above pursuant to Contract Offer No. 1 are subject to the specific terms and conditions of Section 25.1.4. Additionally purchase of the services listed above pursuant to Contract Offer No. 1 are also subject to the general terms and conditions of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Regulations, 6- Switched Access Service, 7-Special Access Service and 8- Testing, Maintenance, and Additional Labor. Such general terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however, such changes will not change the regulations described in Contract Offer No. 1.

25.1.3 Eligibility Criteria for Contract Offer No. 1

(A) Contract Offer No. 1 is only available to Customers who are currently subscribing to MVP, in the following Telephone Companies: (N)
(Nx)
- Ameritech Operating Companies (AIT) F.C.C. No. 2 Section 19
- Southwestern Bell Telephone Company (SWBT) F.C.C. No. 73 Section 38;
- Pacific Bell Telephone Company (PBTC) F.C.C. No. 1 Section 22

(B) Customer must also concurrently subscribe to the identical contract offers of Contract Offer No. 1 pursuant to the following tariffs:
- SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 15;
- PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 20; and
- Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 20. (Nx)

(C) A minimum of 4% of the Customer's Current Annual Revenue Commitment, as described in Section 25.1.5, must come from services previously provided by a carrier other than the Southern New England Telephone Company and it's affiliates. This 4% level will be measured at the end of the Term Period, however, the 4% requirement may be demonstrated at any time during the contract period. Customer must adhere to the following Sections (1) and (2). (N)
(N)

(x) Issued under authority of Special Permission No. 03-100 of F.C.C

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

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

25.1.3 Eligibility Criteria for Contract Offer No. 1 (Cont'd)

(C) (Cont'd)

(1) Customer must provide documentation to demonstrate that the Subject Services have been converted from another carrier to Telephone Company services. Documentation may include but is not limited to: circuit detail records, invoices, and coordinated orders to move the service. The Telephone Company is willing to review other documents that the Customer may deem appropriate to meet this criteria, however only to the extent that it does not result in breach of any non-disclosure agreements which may govern the distribution of such information.

(2) If Customer fails to reach the 4% requirement as measured at the end of the Term Period, the Customer will be deemed to have terminated Contract Offer No. 1 and termination liabilities will apply as set forth in Section 25.1.7.

25.1.4 Terms and Conditions

(A) Term Period

The contract Term Period will commence on the date the Telephone Company receives a completed Letter of Authorization and expires on December 31, 2005 ("Term Period").

This offer is not renewable. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.1.4 Terms and Conditions (Cont'd)

(B) Application

Subject Services to which the Customer already subscribes as of the commencement of the Term Period will receive discounts effective upon the commencement of the Term Period.

Subject Services purchased after the commencement of the Term Period will receive the discounts only after the service has been provisioned.

Monthly billing credits will be issued for every month in which the Subject Services are purchased in compliance with the eligibility criteria in Section 25.1.3. The Credits will be applied within 30 days after each billing cycle.

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

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

(D) Contract Offer No. 1 provides a discount of 50% off the monthly recurring tariff rates listed in Section 25.1.2 (A) for existing and new Subject Services.

Example:

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

(E) Customer agrees to maintain a Current Annual Revenue Commitment (as described in Section 25.1.5) for the calendar years of 2004 and 2005.

(F) Customer agrees to a quarterly true-up as described in Section 25.1.6 for the calendar years of 2004 and 2005.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.1.5 Current Annual Revenue Commitment

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

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

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

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

(B) The CARC will not change during the contract Term Period.

(C) If the Customer fails to achieve the CARC on either of the contract anniversary dates (December 31, 2004 or December 31, 2005), and fails to remit the annual projected gap payment, the Customer will be deemed to have terminated its participation in Contract Offer No. 1 and termination liability charges will apply as set forth in Section 25.1.7. (N)

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

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

25.1.6 Quarterly True-Up

To ensure that the customer will meet the CARC by the end of year, the Telephone Company will review revenues quarterly. In the event that the Customer has an estimated shortfall, the Customer is required to remit Quarterly Gap Payments as described below. Quarterly is defined as consecutive three (3) month periods commencing January 1, 2004. The process of remitting payments to eliminate the Annual Projected Gap is referred to as the True-Up process.

The Telephone Company will calculate the Customer's Annual Projected Gap (if any) on a quarterly basis. The Annual Projected Gap is the CARC, less actual annualized revenues. Actual annualized revenue is the Customer's actual billed amount to date, annualized to determine end of year estimated revenues. Actual annualized revenues will include any previous quarterly gap payment that the Customer has made. For this calculation, the actual annualized revenues are calculated after discounts from this Contract Offer No. 1, and any other applicable credits or discounts have been applied.

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

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

(A) If there is a positive Annual Projected Gap as measured above for the quarter, the Customer agrees to make Quarterly True-Up payments. Quarterly True-Up payments will be calculated using the percentages in section 25.1.6 (B) and will be applied to the Annual Projected Gap to determine the gap payment. See example B in Section 25.1.6.

(B) Quarterly True-up payments will be calculated utilizing the following percentiles:

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

(N)

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

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

25.1.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

Example B: Quarterly True-up

1st Quarter
Actual revenue 1st Quarter:

January	= $	400,000
February	= $	500,000
March	= $	600,000
Total	= $	1,500,000

CARC = $12,000,000
Less actual 3 months revenue ($1.5M) x 4 (annualized):
= $ 6,000,000
Annual Projected Gap = $ 6,000,000

$6,000,000 x 0% = $0.00 Quarterly True-up payment

2nd Quarter
Actual revenue 1st and 2nd Quarter:

January	= $	400,000
February	= $	500,000
March	= $	600,000
April	= $	600,000
May	= $	700,000
June	= $	700,000
Total	= $	3,500,000

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

Annual Projected Gap = $ 5,000,000

$5,000,000 x 25% = $1,250,000 Quarterly True-up payment (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.2.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

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

3rd Quarter

Actual revenue 1st, 2nd and 3rd Quarter

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

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

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

(N)

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

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

25.1.6 Quarterly True Up (Cont'd)

(B) (Cont'd)

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

Quarter 4

Actual revenue 1st, 2nd, 3rd and 4th Quarter

January	= $	400,000
February	= $	500,000
March	= $	600,000
April	= $	600,000
May	= $	700,000
June	= $	700,000
July	= $	500,000
August	= $	600,000
September	= $	665,038
October	= $	500,000
November	= $	550,000
December	= $	614,962
Total	= $	6,930,000

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

$1,618,900 x 100% = $1,618,900 Quarterly True-up payment

In the example above at the end of the 4th Quarter the Customer's actual revenue plus the Customer's Quarterly Gap payments, plus projected MVP discounts will equal the CARC.

$6,930,000 + $1,250,000 + $2,201,100 + $1,618,900 = $12,000,000

(C) SBC will provide customer a quarterly gap payment bill (if applicable) within 30 days after the end of the quarter.

(D) If at the end of either contract anniversary date (December 31, 2004 or December 31, 2005) the customer has exceeded their CARC (actual revenue + gap payments) and have made Quarterly Gap Payments, SBC will credit the customers account the amount exceeding the CARC, but not greater than the total gap payments the customer has made. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.1.7 Termination Liability Charges

If the Customer terminates service before the completion of the term for any reason whatsoever the customer agrees to pay the Telephone Company termination liability charges described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 60 days prior to the desired date of termination to the Telephone Company.

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

Customers termination liability shall be equal to:

(A) 100% of all Discounts received under this Contract Offer No. 1 during the six (6) months immediately prior to the date of termination, plus;

(B) 25% of the CARC for each year in the remaining portion of the Term Period.

Any previous gap payments paid by the customer will be forfeited

Example C:

The Customer signs up for Contract Offer No. 1 on November 1, 2003. The Customer terminates its participation in Contract Offer No. 1 effective September 15, 2004. The termination liability charge that would apply is calculated as follows:

Annual CARC = $12M
Monthly CARC = $12M / 12 months = $1M
Number of months remaining in contract = 15.5
Remaining value of CARC = 15.5 x $1M = $15.5M
25 % of remaining value of CARC = .25 x $15.5M = $3.875M
March 2004 - August 2004 discounts = $500K

Total Termination Liability Charge = $3.875M + $500K = $4.375M (N)

25. Pricing Flexibility Contract Offerings (N)

25.2 Contract Offer No. 2 – Dedicated Ring Service Offer

25.2.1 General Description

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

This offer is only available to customers currently purchasing Dedicated Ring Service (DSRS) with a minimum of 8 nodes.

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

25.2.2 Services Available Under Dedicated Ring Service Offer

(A) Contract Offer No. 2 applies to pricing-flexibility-qualified access services contained in the following tariff sections:

- DS1 Service and DS3 Service - SNET Tariff F.C.C. No. 39, Section 24.
- Customers must subscribe to Contract Offer No. 2 with 1.4 GB of capacity on one Dedicated Ring and an existing Dedicated Ring Service with 8 nodes.

(B) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

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

25.2 Contract Offer No. 2 – Dedicated Ring Service Offer (Cont'd)

25.2.3 Dedicated Ring Service Offer Eligibility Criteria

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

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

25.2.4 Dedicated Ring Service Offer Terms and Conditions

(A) Term Period

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

If at the expiration of the Term Period, the Customer elects to continue service, the customer may choose from payment options in accordance with the regulations as described in the following Tariff F.C.C. 39, Section 24 for OC-3, OC-12 and OC-48 Dedicated Ring Service, DS1 and DS3 Services.

If the Customer does not choose an option described above and elects not to discontinue service, the customer will automatically be billed the monthly rates found in Section 24.5.2.6 for DS1 and DS3 or the monthly extension rate found in Section 24.5.2.7 for OC-48 Dedicated Ring Service.

(N)

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

25.2 Contract Offer No. 2 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions

(1) Contract Offer 2 is only available for circuits located in the following Metropolitan Statistical Area (MSA):

- Phase 1 Pricing Flexibility MSA: Bridgeport, Hartford and New Haven, Connecticut.

(2) Contract Offer 2 is only available January 23, 2004 through February 23, 2004.

(3) If Customer should discontinue service under Contract Offer 2 during the Term Period, termination liability charges will be determined in accordance with Section 25.2.6.

(4) Customer agrees to subscribe to this Contract Offer No. 2 in accordance with the regulations set forth in Tariff F.C.C. 39, Section 5.

(5) Rate stability during the term period applies only to the rates specific to Contract Offer No. 2 as described in Section 25.2.5.

(6) Purchase of the services listed above under Contract Offer 2 are also subject to general terms and conditions of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however such tariff modifications will not change the regulations described in Contract Offer No. 2.

(7) If after the Telephone Company receives the Letter of Authorization-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.2 Contract Offer No. 2 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions (Cont'd)

(8) During the Term Period, the Customer may issue service orders increasing capacity bandwidth of the Dedicated Ring Network in accordance with the FCC 39, Section 24.

(9) Customer must purchase a Dedicated Ring with the following capacity requirements.

Dedicated Ring Nodes	6 to 8
Dedicated Ring Mileage	80 to 95

(10) Customer will not be able to subscribe to any future contract offerings in section 25 in conjunction with Contract Offer No. 2.

(11) Customers who subscribe to Contract Offer No. 2 may move a port from one node to another node on the ring (as described in Tariff F.C.C. 39, section 2.11.5.) and will not incur termination liability. A reduction in the number ports on the ring will incur termination liability. Disconnect orders associated with node to node moves do not have to be coordinated with add orders provided the following conditions are met:

- new service location is within the same MSA as the original service; and

(12) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 2, the Customer agrees to pay the Telephone Company time and material charges for each modification as described in Tariff F.C.C. 39, Section 24. Modifications of services include, but are not limited to: reconfiguration of existing ports, shelf rearrangements, node moves, ring design provisioning changes and customer premises rearrangements.

(N)

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

25.2 Contract Offer No. 2 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions (Cont'd)

(13) If the Customer requests additional bandwidth, ring nodes, ring mileage, drop ports or other service features and functions, the Customer will pay the tariff rates for those additions as contained in Section 24-Metropolitan Statistical Area Access Services.

(14) Customer agrees not to resell any capacity on services covered under this Contract Offer No. 2 to a third party.

(15) If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 2 pursuant to F.C.C. No. 39, Section 2.1 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1 are fulfilled unless the proposed assignee or transferee demonstrates a lack of credit worthiness as described below, or if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.2 Contract Offer No. 2 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions (Cont'd)

(15) Cont'd

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

- "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;
- "high risk" in a Paydex score as published by Dun and Bradstreet.

25.2.5 Rates and Charges

(A)

Capacity	Monthly Recurring Rate	Non Recurring Rate
1.4 GB capacity of one Dedicated Ring and 6 - 8 nodes	$34,930	$0

(B) Additional DS1, DS3, OC3, OC12 services can be purchased on this Dedicated Ring utilizing rates found in section 24. (N)

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

25.2 Contract Offer No.2 - Dedicated Ring Service Offer (Cont'd)

25.2.6 Termination Liability

Termination liability as described below applies in lieu of the termination liability described in Tariff F.C.C. 39, Section 20.3(C)7. If Customer terminates Contract Offer No. 2 before the completion of the Term Period for any reason, the Customer agrees to pay to the Telephone Company termination liability charges as described below. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described in Tariff F.C.C. 39, Section 20.3(C) 7. Customer's termination liability charges for termination of service shall be equal to:

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

The termination liability charge will be calculated as follows:

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

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

$20,000 X 10 X 50% = $100,000 termination liability charge. (N)

25. Pricing Flexibility Contract Offerings (N)

25.3 Contract Offer No. 3 – Dedicated Ring Service Offer

25.3.1 General Description

Dedicated Ring Service Offer (Contract Offer No. 3) permits Customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) to purchase a OC-12 Dedicated Ring. Customers must meet the eligibility criteria described in Section 25.3.3. Contract Offer No. 3 is only available in the MSAs listed in Section 25.3.3(B).

This offer is only available to customers currently purchasing Dedicated Ring Service (DSRS) with a maximum of 11 nodes.

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

25.3.2 Services Available Under Dedicated Ring Service Offer

(A) Contract Offer No. 3 applies to pricing-flexibility-qualified access services contained in the following tariff sections:

(1) DS1, DS3 and OC3 Service - SNET Tariff F.C.C. No. 39, Section 7 and 24.
(2) OC-12 Dedicated Ring Service – SNET Tariff F.C.C. No. 39 Section 7 and 24.

(B) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

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

25.3 Contract Offer No. 3 – Dedicated Ring Service Offer (Cont'd)

25.3.3 Dedicated Ring Service Offer Eligibility Criteria

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

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

25.3.4 Dedicated Ring Service Offer Terms and Conditions

(A) Term Period

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

If at the expiration of the Term Period, the Customer elects to continue service, the customer may choose from payment options in accordance with the regulations as described in the following Tariff F.C.C. 39, Section 7 and 24 for OC-3, OC-12 and OC-48 Dedicated Ring Service, DS1 and DS3 Services.

If the Customer does not choose an option described above and elects not to discontinue service, the customer will automatically be billed the monthly rates found in Section 7.16 Phase 1 MSAs and 24.5.2.6 Phase 2 MSAs for DS1 and DS3 or the monthly extension rate found in Section 23.2 Phase 1 MSAs 24.5.2.7 Phase 2 MSAs for OC-12 Dedicated Ring Service.

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

25.3 Contract Offer No. 3 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions

(1) Contract Offer No. 3 is only available September 2, 2004 through November 2, 2004.

(2) If Customer should discontinue service under Contract Offer 3 during the Term Period, termination liability charges will be determined in accordance with Section 25.3.6.

(3) Customer must subscribe to Contract Offer No. 3 in accordance with the regulations set forth in Tariff F.C.C. 39, Section 5.

(4) Rate stability during the term period applies only to the rates specific to Contract Offer No. 3 as described in Section 25.3.5.

(5) Purchase of the services listed above under Contract Offer 3 are also subject to general terms and conditions of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however such tariff modifications will not change the regulations described in Contract Offer No. 3.

(6) If after the Telephone Company receives the Letter of Authorization-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.3 Contract Offer No. 3 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions (Cont'd)

(7) During the Term Period, the Customer may issue service orders increasing nodes and/or mileage of the Dedicated Ring Network in accordance with the FCC 39, Section 7 and 24.

(8) Customer must purchase a Dedicated Ring with the following capacity requirements.

Dedicated Ring Nodes	10 to 11
Dedicated Ring Mileage	90 to 95

(9)Customer will not be able to subscribe to any future contract offerings in section 25 in conjunction with Contract Offer No. 3.

(10) Customer must maintain a Monthly Minimum Port Revenue Commitment (MMPRC) of $7000 with any combination of DS1, DS3 and OC-3 services. The total port monthly rate will be determined by the port quantity multiplied by the port rate in section 25.3.5 (A). The total port monthly rate can not be less than the MMPRC.

(11) Customer can disconnect unlimited DS1 and DS3 Ports, but must maintain their Port Revenue Commitments. Customers who subscribe to Contract Offer No. 3 may move a port from one node to another node on the ring (as described in Tariff F.C.C. 39, section 2.11.5.) and will not incur termination liability. Disconnect orders associated with node to node moves do not have to be coordinated with add orders provided the following conditions are met:

(a) new service location is within the same MSA as the original service.

(12) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 3, the Customer must pay the Telephone Company time and material charges for each modification as described in Tariff F.C.C. 39, Section 7 and 24. Modifications of services include, but are not limited to: reconfiguration of existing ports, shelf rearrangements, node moves, ring design provisioning changes and customer premises rearrangements. (N)

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

25.3 Contract Offer No. 3 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions (Cont'd)

(13) If the Customer requests additional, ring nodes, ring mileage, drop ports or other service features and functions, the Customer will pay the tariff rates for those additions as contained in Section 7-Special Access and 24-Metropolitan Statistical Area Access Services, except for DS1 and DS3 ports as specified in 25.3.5 (B).

(14) Customer may not resell any capacity on services covered under this Contract Offer No. 2 to a third party.

(15) If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 3 pursuant to F.C.C. No. 39, Section 2.1 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1 are fulfilled unless the proposed assignee or transferee demonstrates a lack of credit worthiness as described below, or if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

(b) If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade. (N)

ACCESS SERVICE (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.3 Contract Offer No. 3 – Dedicated Ring Service Offer (Cont'd)

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

(B) Terms and Conditions (Cont'd)

(16) Cont'd

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

- "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;
- "high risk" in a Paydex score as published by Dun and Bradstreet.

25.3.5 Rates and Charges

(A)

Capacity	Monthly Recurring Rate	Non Recurring Rate
0C-12 Dedicated Ring and 10 - 11 nodes	$30,529	$0

Port	Monthly Recurring Rate	Non Recurring Rate
DS1 Port on a Dedicated Ring Node	$27	Section 24.5.2.7
DS3 Port on a Dedicated Ring Node	$112	Section 24.5.2.7
OC-3 Port on a Dedicated Ring Node	$135	Section 24.5.2.7

(N)

ACCESS SERVICE

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

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

25.3.6 Termination Liability

Termination liability as described below applies in lieu of the termination liability described in Tariff F.C.C. 39, Section 20.3(C)7. If Customer terminates Contract Offer No. 3 before the completion of the Term Period for any reason, the Customer agrees to pay to the Telephone Company termination liability charges as described below. These termination liability charges shall become due as of the effective date of the termination of service and are payable as described in Tariff F.C.C. 39, Section 20.3(C) 7. Customer's termination liability charges for termination of service shall be equal to:

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

The termination liability charge will be calculated as follows:

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

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

$20,000 X 10 X 50% = $100,000 termination liability charge.

25. Pricing Flexibility Contract Offerings (N)

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer

25.4.1 General Description

Dedicated Ring Service Offer (Contract Offer No. 4) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.4.5 for the purchase of two (2) new OC-48 Dedicated Ring Services.

25.4.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive the Dedicated Ring Service Contract Offer No. 4:

(1) Service must be located in Pricing Flexibility MSA: New Haven;

(2) Customer must purchase two (2) new OC-48 Dedicated Ring Service within one month of subscribing to Contract Offer No. 4; and

(3) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(B) Contract Offer No. 4 applies to pricing flexibility qualified access service, OC-48 Dedicated Ring Service, contained in Southern New England Telephone Company Tariff F.C.C. No. 39, Section 24;

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer (Cont’d)

25.4.3 Terms and Conditions

(A) Term Period

The contract term is five (5) years, (Term Period) commencing on the date billing begins. Billing commences for the new OC-48 Dedicated Ring Services no later than 30 days after the Telephone Company’s completion of the access service order. This offer is not renewable.

At the expiration of the Term Period, Customer may choose from the payment options as described in Section 20 for OC-48 Dedicated Ring Service.

If, at the expiration of the Term Period, the Customer does not choose to disconnect or select a payment option as described in the section 20, the OC-48 Dedicated Ring Services will be converted to the monthly extension rates found in Section 20.4 or Section 24.5, as applicable.

Rate stability under this contract term applies only to the rates specific to Contract Offer No. 4, as listed in Section 25.4.5. Purchase of the services listed above under Contract Offer No. 4 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 2 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 4. (N)

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

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer (Cont'd)

25.4.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 4 is only available October 26, 2004, through November 26, 2004;

(2) OC-48 Dedicated Ring Service discounted rates, as described in Section 25.4.5, must be for new installations only;

(3) Customer must submit a Letter of Authorization / Firm Order Commitment (LOA-FOC);

(4) If the Customer should discontinue service under Contract Offer No. 4 during the Term Period, termination liability charges will apply in accordance with Section 25.4.6;

(5) Customer must subscribe to the services available under this Contract Offer No. 4 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(6) If, after the Telephone Company receives the Letter of Authorization / Firm Order Commitment (LOA-FOC) and prior to commencement of the Term Period, the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer will be liable for cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(7) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 4, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include, but are not limited to reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(8) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 4 that might be offered by the Telephone Company for services covered under this Contract Offer 4; and (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer (Cont'd)

25.4.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 4 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined, as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee or transferee, or its parent, are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;
(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

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

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer (Cont'd)

25.4.4 Upgrade Option

(A) If the Customer requests that the new OC-48 Dedicated Ring Service be converted to a different higher grade service in the same MSA covered under this contract offering, such conversions are subject to the following conditions:

(1) The aggregate of the monthly payments of the upgraded service over the term of such service ("Upgrade Service Revenue Value") must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period ("Existing Service Revenue Value").

(2) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade.

(3) Otherwise, the Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate Contract Offer No. 4, and termination liability charges as determined in accordance with Section 25.4.6, will apply. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer (Cont'd)

25.4.5 Rates and Charges

(A)OC-48 Dedicated Ring Service Rates and Charges:

Customer shall pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2)new OC-48 Dedicated Ring Services:

Nonrecurring Charges (NRC):

Administrative Charge-OC-48 (SEFCX) $60.00

Design and Central Office Connection Charge, per Initial Ring-OC-48 (SEFCY) $600.00

Monthly Recurring Charge (MRC):

OC-48 Dedicated Ring Description	USOC	MRC
OC-48 Node (Per Node)	SEFCN	$ 3,352.00
	SEFCM	$ 3,352.00
	SEFCK	$ 3,772.00
OC12 Ports	SEFCO	$ 288.00
DS3 Ports	SEFCQ	$ 88.00
OC48 Add/Drop	SEFCW	$ 2,316.00
Mileage	SEFCT	$ 176.00

If a node is added after the initial installation of the OC-12 Dedicated Ring, the new node will be co-terminus with the initial Term Period. However, if a node is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the node MRC for a minimum period of 12 (twelve) months. (N)

25. Pricing Flexibility Contract Offering (Cont'd)

(N)

25.4 Contract Offer No. 4 – Dedicated Ring Service Offer (Cont'd)

25.4.6 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 20.4. If Customer terminates Contract Offer No. 4 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 20.4.(C).7. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as: (N)

$20,000 X 24 X 50% = $240,000 termination liability charge.

25. Pricing Flexibility Contract Offerings (N)

25.5 Contract Offer No. 5 – Dedicated Ring Service Offer

25.5.1 General Description

Dedicated Ring Service Offer (Contract Offer No. 5) permits Customers located in Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay discounted rates listed in Section 25.5.4.(A) for the renewal of an existing OC-12 Dedicated Ring. Contract Offer No. 5, is a renewal for 18 months with three (3) six (6) month extension periods.

25.5.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive the Contract Offer No. 5 discount:

(1) Service must be located in the following Pricing Flexibility MSA: Bridgeport, Connecticut and Hartford, Connecticut.

(B) Contract Offer No. 5 applies to pricing flexibility qualified access services contained in the following tariff sections:

(1) DS1, DS3 and OC3 Service - SNET Tariff F.C.C. No. 39, Section 7 and 24.
(2) OC-12 Dedicated Ring Service – SNET Tariff F.C.C. No. 39 Section 7 and 24.

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections, except as noted herein. (N)

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

25.5 Contract Offer No. 5 – Dedicated Ring Service Offer (Cont'd)

25.5.3 Terms and Conditions

(A) Term Period

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

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

(1) SNET Tariff F.C.C. No. 39, Section 7 for OC-3, OC-12 and OC-48 For Dedicated Ring Service;
(2) SNET Tariff F.C.C. No. 39, Section 7 for DS3 and DS1 Services; and
(3) SNET Tariff F.C.C. No. 39, Section 24 for OC-3, OC-12 and OC-48 for Dedicated Ring Service;

If, at expiration, the Customer does not select a payment option as described above, or does not choose to disconnect service, the services will be converted to monthly rates found in Section 7.16 Phase 1 MSAs and 24.5.2.6 Phase 2 MSAs for DS1 and DS3, or the monthly extension rate found in Section 23.2 Phase 1 MSAs 24.5.2.7 Phase 2 MSAs for OC-12 Dedicated Ring Service.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.5 Contract Offer No. 5 – Dedicated Ring Service Offer (Cont'd)

25.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 5 is only available November 13, 2004, through December 13, 2004;

(2) Customer must submit a Letter of Authorization/Firm Order Commitment (LOA-FOC);

(3) Contract Offer No. 5 can be renewed for three (3) six (6) month periods following the initial 18 month term expiration at the same rates specified in Section 25.5.4(A).

(4) If the Customer should discontinue service under Contract Offer 5 during the Term Period, termination liability charges will apply in accordance with Section 25.5.5.

(5) Customer must subscribe to the services available under this Contract Offer No. 5 in accordance with the regulations set forth in SNET Tariff F.C.C. 39, Section 5 Ordering Options for Special & Switched Access Service.

(6) Rate stability during the term period applies only to the rates specific to Contract Offer No. 5, as described in Section 25.5.5.

(7) Purchase of the services listed above under Contract Offer 5 are also subject to general terms and conditions of F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the regulations described in Contract Offer No. 5.

(8) If, after the Telephone Company receives the Letter of Authorization-Firm Order Commitment (LOA-FOC), the Customer cancels the LOA-FOC, cancellation charges shall apply. The Customer must pay to the Telephone Company cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation. (N)

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

25.5 Contract Offer No. 5 – Dedicated Ring Service Offer (Cont'd)

25.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(9) During the Term Period, the Customer shall issue service orders increasing nodes and/or mileage of the Dedicated Ring Network in accordance with the regulations set forth in SNET Tariff F.C.C. 39, Sections 7 and 24.

(10) Customer must purchase a Dedicated Ring with the following capacity requirements:

Dedicated Ring Nodes	12
Dedicated Ring Mileage	60 to 70

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

(11) Customer will not be able to subscribe to any future contract offerings in Section 25 in conjunction with Contract Offer No. 5.

(12) Customer must maintain a Monthly Minimum Port Revenue Commitment (MMPRC) of $7000 with any combination of DS1, DS3 and OC-3 services. The total port monthly rate will be determined by the port quantity multiplied by the port rate in Section 25.5.5 (A). The total port monthly rate cannot be less than the MMPRC.

(13) Customer will be able to disconnect unlimited DS1 and DS3 Ports, but must maintain their Port Revenue Commitments. Customers who subscribe to Contract Offer No. 5 may move a port from one node to another node on the ring (as described in SNET Tariff F.C.C. 39, section 2.11.5), and will not incur termination liability. Disconnect orders associated with node to node moves do not have to be coordinated with add orders provided the following conditions are met:

(a) new service location is within the same MSA as the original service.

(N)

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

25.5 Contract Offer No. 5 – Dedicated Ring Service Offer (Cont'd)

25.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(14) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 5, the Customer must pay the Telephone Company time and material charges for each modification as described in SNET Tariff F.C.C. 39, Sections 7 and 24. Modifications of services include, but are not limited to, reconfiguration of existing ports, shelf rearrangements, node moves, ring design provisioning changes and customer premises rearrangements.

(15) If the Customer requests additional ring nodes, ring mileage, drop ports or other service features and functions, the Customer will pay the tariff rates for those additions as contained in Section 7-Special Access and 24-Metropolitan Statistical Area Access Services, except for DS1 and DS3 ports as specified in 25.5.4 (A).

(16) Customer may not resell any capacity on services covered under Contract Offer No. 5 to a third party.

(17) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 5 pursuant to SNET F.C.C. No. 39, Section 2.1 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.5 Contract Offer No. 5 – Dedicated Ring Service Offer (Cont'd)

25.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(17) Cont'd

(a) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.5 Contract Offer No. 5 - Dedicated Ring Service Offer (Cont'd)

25.5.4 Rates and Charges

(A)

Capacity	Monthly Recurring Rate	Non Recurring Rate
0C-12 Dedicated Ring and 12 nodes	$29,452.20	$0
OC-12 Dedicated Ring Node	$3,080.00	Section 24.5.2.7

Port	Monthly Recurring Rate	Non Recurring Rate
DS1 Port on a Dedicated Ring Node	$27	$250
DS3 Port on a Dedicated Ring Node	$112.50	$250
OC-3 Port on a Dedicated Ring Node	$135	Section 24.5.2.7

25.5.5 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in SNET Tariff F.C.C. 39, Section 20.3(C)7. If Customer terminates Contract Offer No. 5 before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described in this section. These termination liability charges shall become due as of the effective date of the termination of service, and are payable pursuant to Tariff F.C.C. 39, Section 20.3(C) 7. Customer's termination liability charges for termination of service shall be equal to:

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

The termination liability charge will be calculated as follows:

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

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

$20,000 X 10 X 50% = $100,000 termination liability charge.

(N)

(This page filed under Transmittal No. 837)

25. Pricing Flexibility Contract Offerings (N)

25.6 Contract Offer No. 6 – Special Access Service Offer

25.6.1 General Description

The Special Access Service Offer (Contract Offer No. 6) is an access discount pricing plan requiring subscription for Customers under the following Access Tariffs: Ameritech Operating Companies Tariff F.C.C. No 2, Nevada Bell Telephone Company Tariff F.C.C. No. 1, Pacific Bell Telephone Company Tariff F.C.C. No. 1, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET)Tariff F.C.C. No. 39. The plan requires Customers to maintain a Minimum Annual Revenue Commitment (MARC) for five (5) years. Contract Offer No. 6 is available to any Customer with at least $18.5 million in cumulative annual recurring revenue for qualified access services in the SBC Interstate Access Tariffs as identified above. The qualified access services for The Southern New England Telephone Company (SNET) are listed in Section 25.6.3(B) following. The Customer must meet the Eligibility Criteria as described in Section 25.6.2 and the Terms and Conditions as described in Section 25.6.3. (Nx)

The Customer must meet a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year term. In the event the Customer does not meet its MARC as of each anniversary date, the Customer will be required to remit a payment, via the Annual True-Up process described in Section 25.6.4(D), otherwise termination liability charges will apply. Contract Offer No. 6 will only be available November 17, 2004 through January 17, 2005.

25.6.2 Eligibility Criteria

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

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

If the Telephone Company receives pricing flexibility relief on additional MSAs, the Customer will be able to use services and/or revenue from those areas to meet MARC commitments upon adjustment of the MARC for those incremental revenues as defined in Section 25.6.4.

(B) The Customer cannot subscribe to this Contract Offer concurrently with SBC’s MVP offering;

(C) The Customer must have a minimum of $18.5 million in cumulative annual recurring revenue for Voice Grade (VG), Digital Data Service (DS0), High Capacity (DS1 & DS3), Optical Carrier Network (OCN) Point-to-Point (PTP), Gigabit Ethernet Metropolitan Area Network (GigaMAN) and Dedicated SONET Ring Services from this Contract Offer and the Contract Offers listed in Section 25.6.3(A). (N)

(x) Issued under authority of Special Permission No. 04-075 of F.C.C
(This page filed under Transmittal No. 839)

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

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

25.6.2 Eligibility Criteria (Cont'd)

(D) The Customer must maintain an Access Service Ratio, equal to or greater than 98%. The Access Service Ratio is defined in Section 25.6.3(H) and will be measured monthly.

25.6.3 Terms and Conditions

(A) Concurrent Subscription

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

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

(B)Subject Services

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

(1) VG/DS0 Services - SNET Tariff F.C.C. No. 39 Sections 7.9.4 and 7.15.4 for Phase I MSAs, and Sections 24.5.2.1 and 24.5.2.5 for Phase II MSAs;
(2) DS1/DS3 Service - SNET Tariff F.C.C. No. 39, Sections 7.16.4 for Phase I MSAs and Section 24.5.2.6 for Phase II MSAs;
(3) OCN PTP Service/OC48/OC48c/OC192 Service – SNET Tariff F.C.C. No. 39, Section 23.3 for Phase I MSAs and Section 24.5.2.9 for Phase II MSAs;
(4) Dedicated SONET Ring Service – SNET Tariff F.C.C. No. 39, Sections 20.4 for Phase I MSAs, and Sections 24.5.2.7 for Phase II MSAs.
(5) GigaMAN Service – SNET Tariff F.C.C. No. 39 Section 7.17.11 for Phase I MSAs and Section 24.5.2.10 for Phase II MSAs.

All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 25.6.4. (N)

(x) Issued under authority of Special Permission No. 04-075 of F.C.C

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.3 Terms and Conditions (Cont'd)

(C) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Telephone Company receives a completed Letter of Authorization (LOA) from the Customer. Contract Offer No. 6 is not renewable.

Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any Subsequently Added Services to which Customer subscribes after commencement of the Term Period in accordance with the terms set forth herein, must be on five (5) year term payment plans or converted to five (5) year term payment plans (where available) in order to receive discounts pursuant to this Contract Offer. If five (5) year term is not available, the Customer must select from the longest term plan available for the service. The Customer may select from any term plan available for purchases of new Subject Services.

(D) Discounts

Discounts will be applied 60 days after the close of each quarter beginning with the first three months after contract commencement. Discounts will be applied each quarter that the Customer complies with MARC requirements, all Eligibility Criteria, and all Terms and Conditions. MARC calculations are discussed in Section 25.6.4 and the application of discounts is detailed in Section 25.6.5.

(E) General

Services are subject to certain rates, charges, and general terms and conditions in other sections of F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, 8-Testing, Maintenance and Additional Labor & 13-Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in this Contract Offer. (N)

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

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

25.6.3 Terms and Conditions (Cont'd)

(F) Contract Termination

If the Customer should terminate this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 25.6.8.

If the Customer fails to maintain any of the Terms and Conditions detailed in Section 25.6.3, the Telephone Company will notify the Customer in writing. The Customer will have 60 days to return to compliance. Failure to comply within 60 days will constitute a default and the Telephone Company shall have the right to terminate this contract. In the event of termination by Telephone Company, termination liability charges will apply as set forth in Section 25.6.8.

(G) Minimum Annual Revenue Commitment (MARC)

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

(H) Access Service Ratio

As referenced in Section 25.6.2(D), the Customer and its affiliates must maintain an Access Service Ratio of 98% or greater. The ratio, calculated monthly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 98%.

The 98% ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer's and its affiliates interstate recurring billed revenue associated with the rate elements, as defined in Table A:

TABLE A:

Service	General/Basic Description
Voice Grade	7.9.1-3
DS0, DS1, and DS3 Services	7.16.1-3
OCN PTP	23.1, 23.2
GigaMAN	7.17.1-10
Dedicated SONET Ring Service	20.1-3

(2) Wholesale Revenue is the Customer's and its affiliates recurring billed revenue for associated rate elements, as defined in Table B, not included in the interstate tariff(s). (N)

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

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

25.6.3 Terms and Conditions (Cont'd)

(H) Access Service Ratio (Cont'd)

TABLE B:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3/LT3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service**
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

(N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.3 Terms and Conditions (Cont'd)

(H) Access Service Ratio (Cont'd)

(3) As new rate elements are introduced to Table A in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio.

(4) As new rate elements are introduced to Table B in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Wholesale Revenue, as defined in this section, for calculation of the Access Service Ratio.

(5) If the Customer fails to meet the Access Service Ratio in any given month of the term, upon notification from the Telephone Company, the Customer has ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 98% Access Services Ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and the Telephone Company shall have the right to terminate this Contract Offer. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 25.6.8.

(6) Credits will not be issued until the Customer has met the 98% Access Services Ratio.

(I) The Customer will not be able to subscribe to any future Contract Offerings in Section 25 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer.

(J) The Customer must pay billed charges in full for the Term Period of the contract, excluding amounts being disputed. The Telephone Company will provide Customer written notice of a non-compliance situation. Customer will have ten (10) business days from receipt of the written notice to comply. If the Customer does not comply, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 25.6.8 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes).

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.3 Terms and Conditions (Cont'd)

(K) Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.8.2 and Section 25.6.3 (J) above.

(L) The Customer must provide, at the time of subscription, all of the Access Customer Name Abbreviation (ACNA), Other Company Name (OCN) and/or Tiecodes (collectively " Company Code(s)") that the Customer designates for inclusion in this Contract Offer. Company Code(s) may be added by the Customer after initial subscription but are subject to revenue and calculation requirements discussed in Section 25.6.4 (B). Customer shall not incur any termination liability under the relevant tariffs as a result of adding any such Company Code(s).

25.6.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

Under Contract Offer No. 6, the Customer must establish and maintain a MARC. The MARC will be calculated as outlined in this section. The MARC for the first year will be established when the Telephone Company receives the Letter Of Authorization (LOA) from the Customer and the Customer identifies the Company Code(s) that will be included in this Contract Offer pursuant to Section 25.6.3 (L).

The Customer's MARC for Year 1 is calculated based on the total of the previous three (3) months recurring revenue (recalculated to five-year term rates where applicable pursuant to Section 25.6.3 (C)) for all Subject Services identified in Section 25.6.3 (B) from the SBC Tariffs identified in Section 25.6.3 (A) in eligible pricing flexibility MSAs multiplied by four (4):

(Prior 3 months recurring revenue) x 4 = Year 1 MARC. The MARC for years 2 through 5 will be recalculated at each annual contract anniversary date.

Example for Year 1 MARC Establishment:

The Customer's prior 3 months recurring revenue (re-rated to 5-year term rates) is $5M. The Customer's Year 1 MARC would be $20M. ($5M X 4).

The MARC for years 2 through 5 will be recalculated at each annual contract anniversary date as follows:

Total of the prior three (3) months recurring revenue for all Subject Services multiplied by four (4).
If the recalculated MARC is greater than the previous year's MARC, the newly recalculated MARC will apply. If the recalculated MARC is less than the previous year's MARC, the previous year's MARC will carryover for the new year.

(N)

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

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

25.6.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Calculation of the MARC (Cont'd)

Example for Year 2 MARC Establishment:

The Customer's prior 3 months recurring revenue is $4M.
The Customer's Year 2 MARC is $20M. ($4M X 4 = $16M < $20M).
In this example the Customer's prior 3 months recurring revenue multiplied by 4 is less than the Year 1 MARC.

If the Value is less than the Year 1 MARC, then the Year 1 MARC will be used for Year 2.

If the Value calculated is greater than the Year 1 MARC, then the newly calculated MARC will be used as the Year 2 MARC.

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not listed in Section 25.6.2, the Telephone Company will recalculate the MARC to incorporate recurring revenues from those areas and will include those revenues in the calculations discussed in Section 25.6.4 (B).

(B) Calculations to Achieve the MARC

Recurring revenue will be counted to determine whether the Customer achieves its MARC based on the following criteria:

(1) Revenue from Existing Services:

Recurring revenue from Subject Services to which the Customer subscribes as of the commencement of the Term Period and which are billed under the specific Company Code(s) provided by the Customer pursuant to Section 25.6.3 (L) will be (N)
included in the calculation used to achieve the MARC effective upon the commencement of the Term Period.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(2) Revenue from Subsequently Added Services:

Recurring revenue from Subject Services to which the Customer does not subscribe as of the commencement of the Contract Term Period will not be included in the calculations used to achieve the MARC except as specifically allowed in this subsection. Subject Services ordered prior to, and/or purchased after subscription to this Contract Offer and not subscribed to by the Customer as of the commencement of the Contract Term Period will be considered Subsequently Added Services.

Subsequently Added Services will be recalculated to five (5) year term payment plans in accordance with Section 25.6.3(C). Recurring revenue generated from these Subsequently Added Services may only be used in the calculations used to achieve the MARC after (1) the Telephone Company issues a completed service order,(2)the Customer has been billed for the Subsequently Added Services, and (3) the Subsequently Added Services are qualified under one of the following provisions:

(a) First Six (6) Months After Contract Subscription

Within the first six (6) months of subscribing to this Contract Offer, the Customer can add one or more of its existing Company Code(s) (with its corresponding recurring revenue) not previously included by the Customer on the LOA at the time of subscription pursuant to this provision. The Customer must notify the Telephone Company in writing of its desire to include additional Company Code(s) and specify the Company Code(s) to be added. The recurring revenue from Subject Services of these Company Code(s) (recalculated to five (5) year term payment plans where applicable pursuant to Section 25.6.3(C)) shall be eligible for the MARC discounts as detailed in Section 25.6.5 (A)(1). The recurring revenues from Subject Services of these added Company Code(s) are not eligible for above the MARC discounts detailed in Section 25.6.5 (A)(2) or win-back credits detailed in Section 25.6.5 (E). (N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(2) Revenue from Subsequently Added Services:

(b) After the first six (6) Months of Contract Subscription

After the first six (6) months of subscribing to this Contract Offer, the Customer can add one or more of its existing Company Code(s) (with its corresponding recurring revenue) not previously included by the Customer on the LOA at the time of subscription pursuant to this provision.

If the Customer chooses to include any of its additional existing Company Code(s) after the first six (6) months of subscription to this Contract Offer, the Customer must notify the Telephone Company in writing of its desire to include additional Company Code (s) and specify the Company Code(s) added at which time the MARC developed pursuant to Section 25.6.4 (A) will be re-calculated and increased to reflect the additional Company Codes (recalculated to five (5) year term payment plans where applicable pursuant to Section 25.6.3(C). The recurring revenue from Subject Services of these Company Codes shall be eligible for the MARC discounts detailed in Section 25.6.5 (A)

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Calculations to Achieve the MARC (Cont'd)

(3) Mergers and Acquisitions

If, after subscribing to this Contract Offer, the Customer merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or assets of another company (the foregoing generally referred to herein as a merger or acquisition) or establishes joint marketing arrangements with another company for Subject Services (including services currently or previously provided through the Telephone Company's network under any Company Code(s)), the Merger and Acquisition provisions discussed in Section 25.6.7 will apply.

(C) MARC Adjustments

The Customer shall have the right to adjust the MARC downward by 10% or 20%. This adjustment can only be made one time during the life of the Contract Term Period anytime after the first 12 months of the Contract Term Period.

If the Customer exercises this option, reduced discounts (as specified in Table E Section 25.6.5 (B)) will apply for the remainder of the Contract Term Period, discounts previously provided during that contract year will be re-rated retroactively to reflect the reduced discount level, and certain provisions shall no longer apply as detailed in Section 25.6.5 (B).

If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 25.6.7, reduced discounts will remain for the life of the Contract Term Period, and discounts previously received during that contract year will not be re-rated provided the Eligibility Criteria in Section 25.6.2, Terms and Conditions in Section 25.6.3 and the quarterly MARC schedule in Table D Section 25.6.5 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 25.6.5. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(D) Failure to Achieve the MARC

If the Customer fails to achieve the annual MARC commitment as of the anniversary dates, the Customer will be notified by the Telephone Company.

The Customer must remit an Annual True-Up amount calculated as the difference between the annual MARC for the current plan year and the actual annual recurring revenue for the Subject Services.

If the Telephone Company does not receive the Annual True-Up amount within 30 days of the Customer's receipt of its notification, the Customer is deemed to have terminated this Contract Offer and termination liability charges will apply as set forth in Section 25.6.8.

(N)

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

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

25.6.5 Discounts and Other Credits

(A) Discount Schedule and Application

Table C contains the level of discounts for this Contract Offer.

TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	7%	20%
2	9%	20%
3	10%	20%
4	11%	20%
5	12%	20%

Example for Year 1:

Customer's MARC = $20M
Customer's actual annual recurring revenues for Subject Services = $25M
Customer will receive a 7% discount on $20M (issued quarterly in accordance with subsection (1) below) and a 20% discount on $5M (issued annually in accordance with subsection (2) below)

(1) The Customer will receive MARC discounts quarterly on recurring revenues for all Subject Services up to the MARC. The discount will be applied 60 days after the close of the quarter. Recurring revenue above the MARC is subject to discounts discussed in Section 25.6.5 (A)(2) below. Recurring revenue from Company Codes added pursuant to Section 25.6.3 (L) will receive quarterly discounts described below at the time the codes are added.

The Customer will receive the quarterly discounts as long as the following percentages of the MARC have been achieved by the close of the quarter per Table D. Discounts will be withheld if the Customer does not meet the percentage requirements in any given quarter and discounts will not be issued until the Customer is in compliance with the MARC percentage schedule as outlined below.

Table D:

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

(N)

 (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

For example, if the Customer has achieved 25% of the MARC by the close of the 1st quarter and is in compliance with all Terms and Conditions of this Contract Offer, discounts will be issued. If in the second quarter the Customer only achieves 40% of the MARC and all Terms and Conditions are met, discounts will be withheld. If by the 3rd quarter the Customer has achieved 75% of the MARC and is in compliance with all Terms and Conditions, discounts previously withheld in the 2nd quarter will be issued as well as discounts due for the 3rd quarter.

(2) The Customer will receive the 20% discount on recurring revenues above the MARC annually. The discount will be applied 60 days after each contract anniversary. Recurring revenue generated from services of Company Code(s) not identified at the time of subscription are not eligible for above the MARC discounts unless added pursuant to Section 25.6.3 (L) or Section 25.6.7.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.5 Discounts and Other Credits (Cont'd)

(B) MARC adjustments Discount Schedule and Application

Table E outlines discounts that the Customer will be eligible to receive depending on the MARC adjustment percentage chosen pursuant to Section 25.6.4 (C)

TABLE E:

Adjustment	10%	20%
Discounts	Year 2 – 3% Year 3 – 4% Year 4 – 5% Year 5 – 6%	Year 2 – 2% Year 3 – 2% Year 4 – 3% Year 5 – 3%
Above MARC discount	Will only apply to revenue above the MARC used as the basis of the adjustment or the recurring revenue from the previous 3 months multiplied by 4, whichever is lower.	Will only apply to revenue above the MARC used as the basis of the adjustment or the recurring revenue from the previous 3 months multiplied by 4, whichever is lower.

For example, the Customer's year 1 MARC is $17M. The Customer's year 2 MARC is $18M (calculated as revenue from the last quarter in year 1 x 4). On the anniversary date at the end of year 2, the Customer's year 2 recurring revenue is $15M. The Customer elects to invoke the MARC adjustment option and adjust the MARC downward by 20%. The Customer's year 3 recalculated MARC is therefore $14.4M = ($18M x 80%).

The Customer's discounts (including any previously withheld) for year 2 will be recalculated to reflect levels as set forth in Table E and would total $300K ($15M x 2%). Any discounts that have been applied to the Customer's bill during year 2 in excess of $300K will be back-billed. The discount amount for year 3 is also 2% as set forth in Table E.

Discounts, on a going forward basis, will be based on the re-calculated MARC and will be subject to percentages as detailed in Table E. (N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.6 Contract Offer No. 6 – DS1, DS3, SONET Service Offer (Cont'd)

25.6.5 Discounts and Other Credits (Cont'd)

(C) Non-Recurring Charges

The Telephone Company will waive Non-recurring charges associated with the purchase of VG, DS0, DS1, DS3, OCN PTP, GigaMan, and Dedicated SONET Ring Services. In the event that these non-recurring charges are billed, The Telephone Company will credit these charges quarterly. Access Order and Special Construction charges will apply where applicable. Non-recurring charges will be credited quarterly as long as the Customer is in compliance with the Eligibility Criteria in Section 25.6.2 and the Terms and Conditions of this Contract Offer as specified in Section 25.6.3. If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 25.6.4 (A) and fails to pay the Annual True-Up as defined in Section 25.6.4, the Customer will be back-billed the previous 12-months non-recurring charges previously waived or credited.

(D) Portability

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

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.6 Contract Offer No. 6 – DS1, DS3, SONET Service Offer (Cont'd)

25.6.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(1) The move, disconnect, and/or new service may be from any SBC Tariff as described in Section 25.6.1.

(2) DS1 Services

The Telephone Company will credit the Customer, quarterly, any termination liability charges assessed and not disputed for the move and/or disconnection of DS1s throughout the term of this Contract Offer No. 6, provided that the Eligibility Criteria in Section 25.6.2, and Terms and Conditions in Section 25.6.3 have been met.

(3) DS3, OC3 and OC12 Point to Point Services

The Telephone Company will credit the Customer, quarterly, for any termination liability charges assessed and not disputed for the move and/or disconnection of DS3s, OC3 PTP, and OC12 PTP throughout the Contract Term Period as long as the DS3, OC3 PTP or OC12 PTP has been in service for a minimum of one (1) year from the original installation date, and provided that the Eligibility (N)
Criteria in Section 25.6.2 and Terms and Conditions in Section 25.6.3 have been met.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.5 Discounts and Other Credits (Cont'd)

(4) OC48 and OC192 Point to Point Services

The Telephone Company will credit the Customer, quarterly, for any termination liability charges assessed and not disputed for the move and/or disconnection of OC48 or OC192 Point to Point (PTP) throughout Contract Term Period, as long as the OC48 PTP or OC192 PTP has been in service for a minimum of three (3) years from the original installation date, and provided that the Eligibility Criteria in Section 25.6.2 and Terms and Conditions in Section 25.6.3 have been met.

(E) Winback

Winback credits will be calculated and applied on each contract anniversary date, and shall be in addition to all other discounts and credits set forth in this Contract Offer. Recurring revenue generated from services of Company Code(s) not identified at the time of subscription are not eligible for win-back credits described below.

(1) The Customer will receive a 20% discount for the first 12 months of service for any DS1 or DS3 services moved to the Telephone Company's network that were previously provided by another company as long as the service is on the Telephone Company's network for at least one year.

(2) The Customer will receive a 30% discount for the first 12 months of service for any OC3, OC12, OC48, and/or OC192 PTP or Dedicated SONET Ring Service moved to the Telephone Company's network that were previously provided by another company as long as the service is on the Telephone Company's network for at least one year.

(3) The Customer must provide documentation to demonstrate that the Subject Services have been converted from another carrier to the Telephone Company's network. Documentation may include but is not limited to: circuit detail records, invoices, and coordinated orders to move the service. The Telephone Company is willing to review other documents that the Customer may deem appropriate to meet this criteria, however only to the extent that it does not result in breach of any non-disclosure agreements which may govern the distribution of such information. (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 6 pursuant to F.C.C. No. 39, Section 2.5.5. of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

25.6.7 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 6 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Subject Services of the other company involved in the merger or acquisition will not be used in Calculations of the MARC as discussed in Section 25.6.4 (A) or Calculations to Achieve the MARC discussed in Section 25.6.4 (B), except as permitted by one of the provisions in this subsection. (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

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

25.6.7 Mergers and Acquisitions (Cont'd)

The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 25.6.2 and 25.6.3 in order to exercise the provisions in this subsection.

Recurring revenue from Subject Services from the other entity involved in the merger or acquisition can not be used for any incentives or discounts contained in this Contract Offer except as permitted by one of the provisions outlined in this subsection.

The Customer shall have four one-time choices (per merger or acquisition) to incorporate revenue from the other company involved in the merger or acquisition. If the Customer does not exercise any of the provisions in this subsection by the times specified in relation to the Transaction Close Date, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Achieve the MARC discussed in Section 25.6.4 (A)&(B).

The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.7 Mergers and Acquisitions (Cont'd)

If the Customer has selected but not yet fully implemented one of the provisions in this subsection, the MARC adjustment calculation as detailed in Section 25.6.4 will only apply to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition.

The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

The Telephone Company will calculate Annual Total Special Access revenue of the other company or companies involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection. The Annual Total Special Access revenue will be determined by calculating the prior three (3) months recurring revenue for Subject Services of the other company involved in the merger or acquisition multiplied by four (4). Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn above the MARC discounts discussed in Section 25.6.5 (A) (2) for revenue from the other company involved in the merger or acquisition until after it exceeds the Annual Total Special Access revenue. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for above the MARC discounts discussed in Section 25.6.5 (A) (2) for revenue above the new combined MARC. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions

(A) Mergers and Acquisitions – Access Services Ratio Impacting

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of the recurring revenue from Subject Services from the other company involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 25.6.3 (H), the Customer must select from Option 1 or 2 below in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer.

The Customer must fully comply with the Access Services Ratio Terms and Conditions within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule outlined in Table F below. As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Access Services Ratio in Section 25.6.4 (H), the MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 25.6.3 (H). (N)

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25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

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

25.6.7 Mergers and Acquisitions (Cont'd)

25.5.7.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting(Cont'd)

If at any time the Customer does not comply with the Access Conversion Schedule outlined in Table F below, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will have 30 days to comply with the Access Conversion Schedule. If the Customer does not comply within 30 days, this Contract Offer will be considered in default, and the Telephone Company shall have the right to terminate this Contract Offer and termination liability charges will apply as detailed in Section 25.6.8. Notwithstanding the foregoing, if Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, then the MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 25.6.3 (H) and the contract will not be considered in default, however, each party shall take all reasonable steps to comply as soon as possible.

Table F outlines the Unbundled Network Element (UNE) to Access conversion schedule that will be used to migrate the services.

Table F: Access Conversion Schedule

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

(N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

(1) Option 1

(a) The Customer may establish a temporary MARC by adding 85% but no more than 100% (depending on the Customer's selection) of Special Access Services recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC as outlined below for a period not to exceed 18 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the Transaction Close Date.

(c) This option is not available in the 5th year of the Contract Term Period.

(d) The temporary MARC will be calculated by taking the last 3 months of applicable monthly recurring Special Access revenue for the other company involved in the merger or acquisition (from the date this option is selected) for Subject Services multiplied by four (4) multiplied by 85% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

(e) A combined permanent MARC will be established no later than 18 months following the Transaction Close Date using the following calculation.

(i) The last 3 months (at the time of the calculation) of monthly recurring Special Access revenue for the other company involved in the merger or acquisition for Subject Services multiplied by four (4)and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85% of temporary MARC as defined in Section 25.6.7.1 (A)(1)(d). (N)

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

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

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions (Cont'd)

(A) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

(2) Option 2

(a) The Customer must add at least 85% but no more than 100% (depending on the Customer's selection) of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services billed by the Telephone Company to the Customer's existing MARC as outlined below for a period not to exceed 18 months from the Transaction Close Date.

(b) The Customer must exercise this option within 12 months following the Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The MARC will be set by taking the last 3 months of applicable monthly recurring Special Access revenue (from the date this option is selected) for Subject Services for the other Company involved in merger and acquisition multiplied by four (4) and multiplied by 85% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC.

(B) Mergers and Acquisitions – Access Services Ratio Not Impacting

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of recurring revenue from Subject Services from the other company involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 25.6.3 (H), the Customer must select from Option 3 or 4 below in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer. (N)

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ACCESS SERVICE (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Merger and Acquisition – Access Services Ratio Impacting (Cont'd)

(1) Option 3

(a) The Customer may establish a temporary MARC by adding 90% to 100% (depending on the Customer's selection) of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services used to calculate the MARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the acquisition Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The temporary MARC will be established by taking the last 3 months of applicable monthly recurring Special Access revenue, from the date this option is selected for the other company involved in the merger or acquisition for Subject Services multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection). This amount will be added to the Customer's existing MARC.

(e) A combined permanent MARC will be established no later than 12 months following the Transaction Close Ddate using the following calculation:

(i) The last three (3) months (at the time of the calculation) monthly recurring Special Access revenues from the other company involved in the merger or acquisition for Subject Services multiplied by four (4) and adding to that the Customer's existing MARC.

(ii) The permanent MARC must be at least 85% of the temporary MARC as defined Section 25.6.7 (A) (4). (N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.6.7 Mergers and Acquisitions (Cont'd)

25.6.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Impacting (Cont'd)

(2) Option 4

(a) The Customer must add at least 90% but no more than 100% (depending on the Customer's selection) of Special Access recurring revenue from the other company involved in the merger or acquisition for Subject Services billed to the Telephone Company to the Customers existing MARC as outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 12 months of the Transaction Close Date.

(c) This option is not available during the 5th year of the Contract Term Period.

(d) The MARC will be set by taking the last 3 months of applicable monthly recurring Special Access revenue for the other Company involved in the merger or acquisition (from the date this option is selected) for Subject Services multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection) and adding to that the Customer's existing MARC. (N)

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

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

25.6.8 Termination Liability

(A) Termination Liability Charges

If the Customer terminates Contract Offer No. 6 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 25.6.2, or fails to meet any of the Terms and Conditions in Section 25.6.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 6 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 39, Section 2.8.2.

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

(1) If terminated in Year 1, 10.0% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.

(2) If terminated in Year 2 , 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.

(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer. (N)

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

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

25.6.8 Termination Liability (Cont'd)

(A) Termination Liability Charges (Cont'd)

(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5.

(5) If terminated in Year 5, 10.0% of the Year 5 MARC for the remaining portion of Year 5.

(B) New Technology Termination

If the Customer wishes to move its services to new alternative technology (such as Broadband over power lines, Wi-MAX, DWDM, or optical switching technologies), the Customer shall qualify to reduce the MARC termination liability charges as detailed above by 50% in year 4 and/or 5 of this Contract Offer as long as the conditions in this subsection are met. The Customer shall have the right to move its services to new alternative technology and receive reduced termination liability as long as Eligibility Criteria in Section 25.6. 2 and all Terms and Conditions in Section 25.6.3 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services.

For example, if the Customer wishes to terminate this Contract Offer due to a new technology in year 4 of the Contract Offer, the termination liability charge would be equal to 100% of discounts applied during the previous six-months as well as 6.25% of the Year 4 MARC for the remaining portion of year 4, plus 6.25% of the Year 4 MARC for year 5.

The Customer must notify SBC in writing at least 90 days prior to the start of year 4 if they wish to terminate in year 4 and invoke this provision or at least 90 days prior to the start of year 5 if they wish to terminate in year 5 and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer. Additionally, this provision is only available to the Customer if it has not exercised the 20% MARC adjustment option as detailed in Section 25.6.4 (C).

(C) This Section 25.6.8 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 6, except for charges due and payable for Subject Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 25.6.5 (C) and (D). (N)

25. Pricing Flexibility Contract Offerings (N)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer

25.7.1 General Description

Dedicated Ring Service Offer (Contract Offer No. 7) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.7.5 for the purchase of nine (9) new OC-48 Dedicated Ring Services and three (3) OCN Point to Point Circuits.

25.7.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 7:

(1) Service must be located in Pricing Flexibility MSA: New Haven, Connecticut;

(2) Customer must purchase nine (9) new OC-48 Dedicated Ring Service within one month of subscribing to Contract Offer No. 7; and

(3) Customer must purchase three (3) OCN Point to Point Circuits.

(B) Contract Offer No. 7 applies to pricing flexibility qualified access service, OC-48 Dedicated Ring Service, contained in Southern New England Telephone Company Tariff F.C.C. No. 39, Section 24;

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer (Cont'd)

25.7.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years, commencing on the date billing begins. Billing for Contract Offer No. 7 commences no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in SNET Tariff F.C.C. No. 39 Section 20 for OC-48 Dedicated Ring Service.

If at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the SNET Tariff F.C.C. No. 39, Section 20, the OC-48 Dedicated Ring Services will be converted to the monthly extension rates as described in Section 20.4 or Section 24.5, as applicable.

Rate stability under Contract Offer No. 7 applies only to the rates specific to this Contract Offer as outlined in Table A in Section 25.7.5. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 2 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 7. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer (Cont'd)

25.7.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Contract Offer No. 7 is only available December 1, 2004 through January 1, 2005;

(2) Contract Offer No. 7 discounted rates, as described in Section 25.7.5, must be for new installations only;

(3) Customer must submit a Letter of Authorization / Firm Order Commitment (LOA-FOC);

(4) If the Customer should discontinue service under Contract Offer No. 7 during the Term Period, termination liability charges will apply in accordance with Section 25.7.6;

(5) Customer must subscribe to the services available under this Contract Offer No. 7 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(6) If, after the Telephone Company receives the Letter of Authorization / Firm Order Commitment (LOA-FOC) and prior to commencement of the Term Period, the Customer cancels the LOA-FOC, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(7) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 7, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include but are not limited to reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(8) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 7 that might be offered by the Telephone Company for services covered under this Contract Offer 7; and (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer (Cont'd)

25.7.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 7 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer (Cont'd)

25.7.4 Upgrade Option

(A) If the Customer requests that the new OC-48 Dedicated Ring Service be converted to a different higher grade service in the qualified pricing flexibility MSA covered under this Contract Offer, such conversions are subject to the following conditions:

(1) The aggregate of the monthly payments of the upgraded service over the term of such service (Upgrade Service Revenue Value) must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period (Existing Service Revenue Value).

(2) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade.

(3) Otherwise the Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate Contract Offer No. XX and termination liability charges as determined in accordance with Section 25.7.6. will apply. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer (Cont'd)

25.7.5 Rates and Charges

(A)OC-48 Dedicated Ring Service Rates and Charges:

Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the nine (9)new OC-48 Dedicated Ring Services and three (3) new OC-48 OCN Point to Point circuits:

Nonrecurring Charges (NRC):

Administrative Charge-OC-48 (SEFCX) $60.00

Design and Central Office Connection Charge, per Initial Ring-OC-48 (SEFCY) $2250.

Table A - Monthly Recurring Charge (MRC) and Mon-Recurring Charges (NRC)per ring.

Description	Quantity	NRC	MRC
Ring # 1 OC-48 DSRS	3	$2310	$58,630
OC-48 PTP	1		
Ring # 2 OC-48 DSRS	3	$2310	$55,000
OC-48 PTP	1		
Ring # 3 OC-48 DSRS	3	$2310	$73,600
OC-48 PTP	1		

If a node is added after the initial installation of the OC-48 Dedicated Ring, the new node will be co-terminus with the initial Term Period. However, if a node is added during the last 12 (twelve) months or less of the Term Period, the customer will be billed the node MRC for a minimum period of 12 (twelve) months.

(N)

(N)

25. Pricing Flexibility Contract Offering (Cont'd)

25.7 Contract Offer No. 7 – Dedicated Ring Service Offer (Cont’d)

25.7.6 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 20.4. If Customer terminates Contract Offer No. 7 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 20.4.(C).7. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as:

$20,000 X 24 X 50% = $240,000 termination liability charge. (N)

25. Pricing Flexibility Contract Offerings (N)

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer

25.8.1 General Description

Dedicated SONET Ring Service Offer (Contract Offer No. 8) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.8.5 for the purchase of two (2) new OC-48 Dedicated SONET Ring Services.

25.8.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive the Dedicated SONET Ring Service Contract Offer No. 8:

(1) Service must be located in Pricing Flexibility MSA: New Haven, Connecticut;

(2) Customer must purchase two (2) new OC-48 Dedicated SONET Ring Service within one month of subscribing to Contract Offer No. 8; and

(3) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(B) Contract Offer No. 8 applies to pricing flexibility qualified access service, OC-48 Dedicated SONET Ring Service, contained in Southern New England Telephone Company Tariff F.C.C. No. 39, Section 24;

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer (Cont'd)

25.8.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date billing begins. Billing commences for the two (2) new OC-48 Dedicated SONET Ring Services no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

At the expiration of the Term Period, Customer may choose from the payment options as described in Section 20 for OC-48 Dedicated SONET Ring Service.

If, at the expiration of the Term Period, the Customer does not choose to disconnect or select a payment option as described in Section 20, the OC-48 Dedicated SONET Ring Services will be converted to the monthly extension rates pursuant to Section 20.4 or Section 24.5, as applicable.

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 8 as listed in Section 25.8.5. Purchase of the services listed above under Contract Offer No. 8 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 8.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer (Cont'd)

25.8.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 8 is only available February 16, 2005 through March 16, 2005;

(2) OC-48 Dedicated SONET Ring Service discounted rates, as described in Section 25.8.5 must be for new installations only;

(3) Customer must submit a Letter of Subscription (LOS);

(4) If the Customer should discontinue service under Contract Offer No. 8 during the Term Period, termination liability charges will apply in accordance with Section 25.8.6;

(5) Customer must subscribe to the services available under this Contract Offer No. 8 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(6) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(7) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 8, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include but are not limited to reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(8) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 8 that might be offered by the Telephone Company for services covered under this Contract Offer 8.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer (Cont’d)

25.8.3 Terms and Conditions (Cont'd)

(B) (Cont’d)

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 8 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

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

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer (Cont'd)

25.8.4 Upgrade Option

(A) The Customer can choose to convert the new OC-48 Dedicated SONET Ring Service to a different higher grade service in the same MSA covered under this Contract Offer. If the Customer decides to request such conversions, the Customer must submit its request in writing to the Telephone Company of its desire to covert to the upgraded service. The Telephone Company will make such conversions provided that the following conditions are met:

(1) The aggregate of the monthly payments of the upgraded service over the term of such service ("Upgrade Service Revenue Value") must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period of this Contract Offer ("Existing Service Revenue Value").

(2) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade.

(3) If the Customer chooses not to make the one time payment as described above, the Telephone Company will terminate Contract Offer No. 8 and termination (N) liability charges as determined in accordance with Section 25.8.6 will apply.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer (Cont'd)

25.8.5 Rates and Charges

(A)OC-48 Dedicated SONET Ring Service Rates and Charges:

Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2)new OC-48 Dedicated SONET Ring Services:

Nonrecurring Charges (NRC):

Administrative Charge-OC-48 (SEFCX) $60.00

Design and Central Office Connection Charge, per Initial Ring-OC-48 (SEFCY) $600.00

Monthly Recurring Charge (MRC):

Description	USOC	MRC Per Unit
OC-48 Node	SEFCN	$ 3,352.00
	SEFCM	
	SEFCK	$ 3,772.00
OC12 Ports	SEFCO	$ 288.00
DS3 Ports	SEFCQ	$ 88.00
OC48 Add/Drop	SEFCW	$ 2,316.00
Per Mile	SEFCT	$ 176.00

If a node is added after the initial installation of the OC-12 Dedicated SONET Ring, the new node will be co-terminus with the initial Term Period of this Contract Offer. However, if a node is added when there less than 12 months remaining in the Term Period, the customer will be billed the node MRC for a minimum period of 12 months.

(N)

25. Pricing Flexibility Contract Offering (Cont'd)

(N)

25.8 Contract Offer No. 8 – Dedicated SONET Ring Service Offer (Cont'd)

25.8.6 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 20.4. If the Customer terminates Contract Offer No. 8 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 20.4.(C).7. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as: (N)

$20,000 X 24 X 50% = $240,000 termination liability charge.

25. Pricing Flexibility Contract Offerings (N)

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer

25.9.1 General Description

Dedicated SONET Ring Service Offer (Contract Offer No. 9) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.9.5 for the purchase of two (2) new OC-48 Dedicated SONET Ring Services.

25.9.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive the Dedicated SONET Ring Service Contract Offer No. 9:

(1) Service must be located in Pricing Flexibility MSA: Hartford, Connecticut;

(2) Customer must purchase two (2) new OC-48 Dedicated SONET Ring Service within one month of subscribing to Contract Offer No. 9; and

(3) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(B) Contract Offer No. 9 applies to pricing flexibility qualified access service, OC-48 Dedicated SONET Ring Service, contained in Southern New England Telephone Company Tariff F.C.C. No. 39, Section 24;

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer (Cont'd)

25.9.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date billing begins. Billing commences for the two (2) new OC-48 Dedicated SONET Ring Services no later than 30 days after the Telephone Company's completion of the access service order. This offer is not renewable.

At the expiration of the Term Period, Customer may choose from the payment options as described in Section 20 for OC-48 Dedicated SONET Ring Service.

If, at the expiration of the Term Period, the Customer does not choose to disconnect or select a payment option as described in Section 20, the OC-48 Dedicated SONET Ring Services will be converted to the monthly extension rates pursuant to Section 20.4 or Section 24.5, as applicable.

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 9 as listed in Section 25.9.5. Purchase of the services listed above under Contract Offer No. 9 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 9.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer (Cont'd)

25.9.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 9 is only available February 19, 2005 through March 21, 2005;

(2) OC-48 Dedicated SONET Ring Service discounted rates, as described in Section 25.9.5 must be for new installations only;

(3) Customer must submit a Letter of Subscription (LOS);

(4) If the Customer should discontinue service under Contract Offer No. 9 during the Term Period, termination liability charges will apply in accordance with Section 25.9.6;

(5) Customer must subscribe to the services available under this Contract Offer No. 9 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(6) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(7) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 9, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include but are not limited to reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(8) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 9 that might be offered by the Telephone Company for services covered under this Contract Offer 9.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer (Cont'd)

25.9.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 9 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

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

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer (Cont’d)

25.9.4 Upgrade Option

(A) The Customer can choose to convert the new OC-48 Dedicated SONET Ring Service to a different higher grade service in the same MSA covered under this Contract Offer. If the Customer decides to request such conversions, the Customer must submit its request in writing to the Telephone Company of its desire to covert to the upgraded service. The Telephone Company will make such conversions provided that the following conditions are met:

(1) The aggregate of the monthly payments of the upgraded service over the term of such service (“Upgrade Service Revenue Value”) must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period of this Contract Offer (“Existing Service Revenue Value”).

(2) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade.

(3) If the Customer chooses not to make the one time payment as described above, the Telephone Company will terminate Contract Offer No. 9 and termination liability charges as determined in accordance with Section 25.9.6 will apply. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer (Cont'd)

25.9.5 Rates and Charges

(A)OC-48 Dedicated SONET Ring Service Rates and Charges:

Customer must pay the following Nonrecurring Charges (NRC) and Monthly Recurring Charge (MRC) for the two (2)new OC-48 Dedicated SONET Ring Services:

Nonrecurring Charges (NRC):

Administrative Charge-OC-48 (SEFCX) $60.00

Design and Central Office Connection Charge, per Initial Ring-OC-48 (SEFCY) $600.00

Monthly Recurring Charge (MRC):

Description	USOC	MRC Per Unit
OC-48 Node	SEFCN	$ 3,352.00
	SEFCM	
	SEFCK	$ 3,772.00
OC12 Ports	SEFCO	$ 288.00
DS3 Ports	SEFCQ	$ 88.00
OC48 Add/Drop	SEFCW	$ 2,316.00
Per Mile	SEFCT	$ 176.00

If a node is added after the initial installation of the OC-12 Dedicated SONET Ring, the new node will be co-terminus with the initial Term Period of this Contract Offer. However, if a node is added when there less than 12 months remaining in the Term Period, the customer will be billed the node MRC for a minimum period of 12 months.

(N)

25. Pricing Flexibility Contract Offering (Cont'd)

(N)

25.9 Contract Offer No. 9 – Dedicated SONET Ring Service Offer (Cont'd)

25.9.6 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 20.4. If the Customer terminates Contract Offer No. 9 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 20.4.(C).7. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as:

$20,000 X 24 X 50% = $240,000 termination liability charge.

(N)

(N)

25. Pricing Flexibility Contract Offerings

25.10 Contract Offer No. 10 – MVP DS1, DS3 and OCN Service Offer (N)

25.10.1 General Description (Nx)

Managed Value Plan (MVP) DS1, DS3 and OCN Service Offer ("Contract Offer No. 10") is an access discount pricing plan for MVP Customers where subscription is required in four of the SBC Companies: Ameritech Operating Companies, Southwestern Bell Telephone Company, Southern New England Telephone Company and Pacific Bell Telephone Company. This Offering provides a 50% discount off recurring tariff rates for DS1, DS3, and OCN Services as described in Section 25.10.2. In order to receive the discount, Customers must meet the Eligibility Criteria as described in Section 25.10.3 and are subject to the Terms and Conditions as described in Section 25.10.4. Customers will continue to receive MVP discounts provided that they meet their MVP contract obligations in Section 25 of F.C.C. No. 39 Tariff. (Nx)

(N)

Customers must commit to a Current Annual Revenue Commitment (CARC), as described in Section 25.10.5. To ensure that the customer will meet the CARC by end of years 2005, 2006 and 2007, the Telephone Company will review revenue quarterly. In the event the Customer is not meeting its CARC, the customer will be required to remit payments, via the quarterly True-Up process described in Section 25.10.6, otherwise termination liabilities will apply.

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

25.10.2 Services Available Under Contract Offer No. 10

(A) Contract Offer No. 10 offers discounts on the recurring rates for the Price Flex eligible DS1, DS3 and OCN Access Services (hereafter referred to as Subject Services) contained in the Tariff Sections listed below, and only in the Metropolitan Statistical Areas (hereafter referred to as MSAs) defined in Section 25.10.4(C). The discounts also apply to the Subject Services that are counted toward achievement of the CARC or any temporary CARC pursuant to Section 25.10.8.

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

(N)

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

25. Pricing Flexibility Contract Offerings (N)

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

25.10.2 Services Available Under Contract Offer No. 10 (Cont'd)

(B) Purchase of the Subject Services listed above pursuant to Contract Offer No. 10 are subject to the specific terms and conditions of Section 25.10.4. Additionally purchase of the services listed above pursuant to Contract Offer No. 10 are also subject to the general terms and conditions of Tariff F.C.C. No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, 6- Switched Access Service, 7-Special Access Service and 13-Additional Engineering, Additional Labor & Miscellaneous Services. Such general terms and conditions may be modified through the filing of tariff changes at any time during the Term Period; however, such changes will not change the regulations described in Contract Offer No. 10.

25.10.3 Eligibility Criteria for Contract Offer No. 10

Customer must meet the following eligibility criteria at the time of subscription and must continue to meet these eligibility criteria throughout the term period of this Contract Offer. Failure to meet the eligibility criteria at any time shall result in termination of this Contract Offer.

(A) Contract Offer No. 10 is only available to Customers who are currently subscribing to MVP, in the following Telephone Companies: (N) (Nx)

- Ameritech Operating Companies (AIT) F.C.C. No. 2 Section 19;
- Southwestern Bell Telephone Company (SWBT) F.C.C. No. 73 Section 38; and
- Pacific Bell Telephone Company (PBTC) F.C.C. No. 1 Section 22.

(B) Customer must also concurrently subscribe to the identical contract offers of Contract Offer No. 10 pursuant to the following tariffs:

- SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 35;
- PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 41; and
- AIT Tariff F.C.C. No. 2, Section 22, Contract Offer No. 47. (Nx)

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

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.10.4 Terms and Conditions

(A) Term Period

The contract Term Period will commence on April 1, 2005, once the Telephone Company has received a completed Letter of Subscription and expires on December 31, 2007 ("Term Period").

This offer is not renewable.

(B) Application

Subject Services to which the Customer already subscribes as of the commencement of the Term Period will receive discounts effective upon the commencement of the Term Period.

Subject Services purchased after the commencement of the Term Period will receive the discounts only after the service has been provisioned.

Monthly billing credits will be issued for every month in which the Subject Services are purchased in compliance with the eligibility criteria in Section 25.10.3. The Credits will be applied within 30 days after each billing cycle.

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

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

(D) Contract Offer No. 10 provides a discount of 50% off the monthly recurring tariff rates listed in Section 25.10.2 (A) for existing and new Subject Services.
Example:
Subject Services Monthly Recurring Charge = $2000
50% Discount = $1000

(E) Customer must maintain a Current Annual Revenue Commitment (CARC) (as described in Section 25.10.5) for the calendar years of 2005, 2006 and 2007.

(F) Customer agrees to a quarterly true-up as described in Section 25.10.6 for the calendar years of 2005, 2006 and 2007. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.10.4 Terms and Conditions (Cont'd)

(G) When Customer subscribes to this Contract Offer, the Telephone Company will waive any termination liabilities that would otherwise apply pursuant to SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 1 for the Subject Services to be provided pursuant to this Contract Offer. Termination liabilities shall otherwise apply according to the terms of the applicable tariff.

(H) Customer must submit a Letter of Subscription to the Telephone Company.

25.10.5 Current Annual Revenue Commitment

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

If the Customer fails to achieve the CARC on either December 31, 2005, December 31, 2006, or December 31, 2007, and fails to remit the annual projected gap payment, the Customer will be deemed to have terminated its subscription in Contract Offer No. 10 and termination liability charges will apply as set forth in Section 25.10.7.

25.10.6 Quarterly True-Up

To ensure that the Customer will meet the CARC by the end of each year 2005, 2006 and 2007, the Telephone Company will review revenues quarterly. In the event that the Customer has an estimated shortfall, the Customer is required to remit Quarterly Gap Payments as described below. Quarterly is defined as consecutive three (3) month periods from April 1, 2005, through December 31, 2005, from January 1, 2006 through December 31, 2006, and from January 1, 2007, through December 31, 2007. The process of remitting payments to eliminate the Annual Projected Gap is referred to as the True-Up process.

(N)

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

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

25.10.6 Quarterly True-Up (Cont'd)

The Telephone Company will calculate the Customer's Annual Projected Gap (if any) on a quarterly basis. The Annual Projected Gap is the CARC, less any annual projected MVP discounts, less actual annualized revenues. Actual annualized revenue is the Customer's actual billed amount to date, annualized to determine end of year estimated revenues. Actual annualized revenues will include any previous quarterly gap payment that the Customer has made. For this calculation, the actual annualized revenues are calculated after discounts from this Contract Offer No. 10, and any other applicable credits or discounts (i.e., MVP) have been applied.

Example A: Annual Projected Gap calculation at end of 1st quarter 2006

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

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

(B) Quarterly True-up payments will be calculated utilizing the following percentiles:

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

Example B: Quarterly True-up

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

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25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

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

25.10.6 Quarterly True Up (Cont'd)

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

CARC	= $3,785,000
Less actual 3 months revenue	
($0.125M) x 4 (annualized):	= $ 500,000
Annual Projected Gap	= $3,285,000

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

2nd Quarter 2006

Actual revenue 1st and 2nd Quarter:

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

CARC	= $3,785,000
Less actual 6 months revenue	
($0.375M) x 2 (annualized):	= $ 750,000
Annual Projected Gap	= $3,035,000

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

3rd Quarter 2006

Actual revenue 1st, 2nd and 3rd Quarter

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

CARC	= $3,785,000
Less (9 months actual revenue +	
2nd Quarter Gap payment) x 1.33:($725,000 + $758,750)	
x 1.33	= $1,483,750
Annual projected Gap	= $2,301,250

$2,301,250 x 66% = $1,518,825 Quarterly True-up payment (N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.10.6 Quarterly True Up (Cont'd)

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

4th Quarter 2006

Actual revenue 1st, 2nd, 3rd and 4th Quarter

January	= $ 25,000
February	= $ 50,000
March	= $ 50,000
April	= $ 75,000
May	= $ 75,000
June	= $ 100,000
July	= $ 100,000
August	= $ 125,000
September	= $ 125,000
October	= $ 150,000
November	= $ 150,000
December	= $ 160,000
Total	= $1,185,000

CARC	= $3,785,000
Less (12 months actual revenue + 2nd & 3rd Quarter Gap payment):	
$1,185,000 + $758,750 + $1,518,825	= $3,462,575
Annual Projected Gap	= $ 322,425

$322,425 x 100% = $322,425 Quarterly True-up payment

In the example above at the end of the 4th Quarter the Customer's actual revenue plus the Customer's Quarterly Gap payments, plus projected MVP discounts will equal the CARC.

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

(C) The Telephone Company will provide Customer a quarterly gap payment bill (if applicable) within 30 days after the end of the quarter.

(D) If at the end of December 31, 2005, December 31, 2006, or December 31, 2007, the Customer has exceeded their CARC (actual revenue + gap payments) and have made Quarterly Gap Payments, the Telephone Company will credit the Customer's account the amount exceeding the CARC, but not greater than the total gap payments the Customer has made. (N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.10.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 10 pursuant to F.C.C. No. 39, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.1.2, unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

25.10.8 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 10 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets constituting an operating business to any other entity, or purchases all stock or substantially all stock or assets constituting an operating business of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Subject Services of the other company or the assets constituting an operating business involved in the merger or acquisition will not be used in Current Annual Revenue Commitment (MARC) as discussed in Section 25.10.5 , except as permitted by one of the provisions in this subsection.

(N)

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

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

25.10.8 Mergers and Acquisitions (Cont'd)

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

Recurring revenue from Subject Services from the other entity involved in the merger or acquisition can not be used for any incentives or discounts contained in this Contract Offer except as permitted by one of the provisions outlined in this subsection.

The Customer shall have two (2) one-time choices (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise any of the provisions in this subsection by the times specified in relation to the Transaction Close Date, the Customer will not be permitted to use existing or future Subject Service revenues from the other company or companies or operating business or businesses involved in the merger or acquisition in the Current Annual Revenue Commitment as discussed in Section 25.10.5

The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company or operating business have been purchased.

If the Customer has selected one of the provisions in this subsection, the CARC adjustment calculation, as detailed in the Current Annual Revenue Commitment as discussed in Section 25.10.5 will be calculated as provided in the provision of the subsection that Customer has selected.

The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

The Telephone Company will calculate Subject Services revenue of the other company or operating business involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection. The Subject Services revenue will be determined by calculating the prior three (3) months recurring revenue for of the other company or operating business involved in the merger (N)
or acquisition multiplied by four (4).

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.10.8 Mergers and Acquisitions (Cont'd)

25.10.8.1 Merger and Acquisition Provisions

(A) Mergers and Acquisitions – Options

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets constituting an operating business to any other entity, or purchases all stock or substantially all stock or assets constituting an operating business of another company and inclusion of recurring revenue from Subject Services from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below the Customer Obligations as defined in Current Annual Revenue Commitment in Section 25.10.5 (in the case of any shortfall in meeting the CARC, be in compliance with any requirements to pay any shortfall between the Annual CARC and actual Annual Billing), the Customer must select from option 1 or 2 below in order to receive incentives and discounts for the other company involved in the merger or acquisition under this Contract Offer.

(1) Option 1

(a) The Customer must establish a temporary CARC by adding 90% to 100% (depending on the Customer's selection) of Subject Services revenue from the other company or operating business involved in the merger or acquisition used to calculate the CARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(b) The Customer must exercise this option within 60 days following the acquisition Transaction Close Date.

(c) This option is not available during the final year of the Contract Term Period of this Contract Offer. (N)

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

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

25.10.8 Mergers and Acquisitions (Cont'd)

25.10.8.1 Merger and Acquisition Provisions (Cont'd)

(A) Merger and Acquisition – Options (Cont'd)

(1) Option 1 (Cont'd)

(d) The temporary CARC will be established by taking the last 3 months of applicable monthly recurring Subject Services revenue, for the other company or operating business involved in the merger or acquisition (from the date this option is selected) multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection). This amount will be added to the Customer's existing CARC.

(e) A combined permanent CARC will be established no later than 12 months following the Transaction Close Date using the following calculation:

(i) The last three (3) months (at the time of the calculation) of monthly recurring Subject Services revenues from the other company or operating business involved in the merger or acquisition multiplied by four (4) and adding to that the Customer's existing CARC.

(ii) The permanent CARC must be at least 90% of the temporary CARC as defined Section 25.10.8.1 (C) (4).

(2) Option 2

(a) The Customer must add at least 90% but no more than 100% (depending on the Customer's selection) of Subject Services recurring revenue from the other company or operating business involved in the merger or acquisition billed by the Telephone Company to the Customer's existing CARC to the extent outlined below for a period not to exceed 12 months from the Transaction Close Date.

(N)

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

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

25.10.8 Mergers and Acquisitions (Cont'd)

25.10.8.1 Merger and Acquisition Provisions (Cont'd)

(A) Merger and Acquisition – Options (Cont'd)

(2) Option 2 (Cont'd)

(b) The Customer must exercise this option within 12 months of the Transaction Close Date.

(c) This option is not available during the final year of the Contract Term Period of this Contract Offer.

(d) The CARC will be set by taking the last three (3) months of applicable monthly recurring Subject Services revenue from the other company or operating business involved in the merger or acquisition (on the date this provision is selected) multiplied by four (4) and multiplied by 90% to 100% (depending on the Customer's selection) and adding to that the Customer's existing CARC.

25.10.9 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in Southern New England Telephone Tariff F.C.C. No. 39, Section 7.16 for DS1 and DS3 Services and Section 23 for OCN Services. If the Customer terminates service under this Contract Offer before the completion of the Term Period, for any reason whatsoever, the Customer agrees to pay the Telephone Company termination liability charges described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 60 days prior to the desired date of termination to the Telephone Company.

If the Customer fails to meet any of the eligibility criteria in section 25.10.3 or fails to maintain any of the Terms and Conditions in section 25.10.4, the Customer will be deemed to have terminated its participation in Contract Offer No. 10 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 2, Section 2.4. (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

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

25.10.9 Termination Liability Charges (Cont'd)

Customers termination liability shall be equal to:

(A) 100% of all Discounts received under this Contract Offer No. 10 during the six (6) months immediately prior to the date of termination, plus;

(B) 25% of the CARC for each year in the remaining portion of the Term Period.

Any previous gap payments paid by the Customer will be forfeited.

Example C:

The Customer signs up for Contract Offer No. 10 and it begins April 1, 2005. The Customer terminates its participation in Contract Offer No. 10 effective August 15, 2006. The termination liability charge that would apply is calculated as follows:

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

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

(N)

25. Pricing Flexibility Contract Offerings (N)

25.11 Contract Offer No. 11 – DS1, DS3 Service Offer

25.11.1 General Description (N)

(Nx)

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

(N)

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

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

25.11.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive discounts under Contract Offer No. 11:

(1) Contract Offer No. 11 is only available for rate elements located in the following Metropolitan Statistical Areas (MSAs): Hartford and Bridgeport CT.

(2) Customer cannot subscribe concurrently to Contract Offer No. 11 and to SBC’s MVP offering.

(3) The Customer and its affiliates must maintain an Access Service Ratio, equal to or greater than 95% The Access Service Ratio is defined in Section 25.11.3 (B) (8) and is measured on the anniversary of the effective date of Contract Offer No. 11. (N)

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

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.2 Eligibility Criteria (Cont'd)

(4) Customer must have a minimum of $500,000 in cumulative annual recurring revenue for DS1 and DS3 Services in the following SBC Companies: Ameritech Operating Companies and Southern New England Telephone Company.

(5) Service must be a pricing flexibility qualified access service, as described in Section 22.11.2(C).

(B) Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 11 pursuant to the following tariffs: (N) (Nx)

(1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 48.

(Nx)
(N)

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

 (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.2 Eligibility Criteria (Cont'd)

(C) Contract Offer No. 11 applies only to pricing-flexibility-qualified access services (hereafter referred to as (Qualified Access Services) contained in the following tariff sections:

(1) DS1/DS3 Service – SNET Tariff F.C.C. No. 39., Section 7.16.4 for Phase 1 MSAs and Section 24.5.2.6 for Phase 2 MSAs;
(2) Optical Carrier Network (OCN) Point-To-Point Service/OC48/OC48c/OC192 Service – SNET Tariff F.C.C. No. 39, Section 23.3 for Phase 1 MSAs, and Section 24.5.2.9 for Phase 2 MSAs;
(3) Dedicated Ring Service – SNET Tariff F.C.C. No.39, Section 20.3(A) for Phase 1 MSAs, and Section 24.5.2.7 for Phase 2 MSAs.

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

25.48.3 Terms and Conditions

(A) Term Period

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

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

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.3 Terms and Conditions (Cont'd)

(A) Terms and Conditions

(1) Contract Offer No. 11 is only available February 26, 2005 through April 26, 2005.

(2) Customer must submit a Letter of Intent to the Telephone Company.

(3) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5 – Ordering Options for Switched Access and Special Access Services.

(4) Qualified Access Services (defined in Section 25.11.2.C) to which the Customer already subscribes as of the commencement of the Term Period shall receive discounts effective upon the commencement of the Term Period of this Contract Offer.

(5) Qualified Access Services (defined in Section 25.11.2 (C) purchased after the commencement of the Term Period shall receive the rate described in Section 25.11.5 Table C only after the Telephone Company completes the access service order.

(6) If the Customer terminates any Qualified Access Services, during the Term Period, termination liability charges shall apply in accordance with Section 25.11.9 shall apply.

(7) Customer must maintain a Minimum Annual Revenue Commitment (MARC), as described in Section 25.11.4) in each year of Contract Offer No. 11's Term Period. Customer must pay an Annual True-Up Amount if they fail to meet their MARC commitment as described in Section 25.11.4 (A), herein.

(N)

 (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.3 Terms and Conditions (Cont'd)

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

(Annual Access Revenue – Annual Wholesale Revenue) / Annual Access Revenue

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

TABLE A:

Service	General/Basic Description
Entrance Facilities	6.1.3 (A)(1)(a)
Direct Transport Services	6.1.3 (A)(1)(b)
Direct Analog	7.2.3
Base Rate, DS1 and DS3 Services	7.2.9
Optical Carrier Network (OCN)	7.2.10
Dedicated SONET Ring Service	7.2.11

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.3 Terms and Conditions (Cont'd)

(8) (Cont'd)

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

TABLE B:

Service Level	Associated Rate Elements Not Included in Interstate/Intrastate Tariff
DS1/LT1	4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services
DS3/LT3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services
Other Transport Products	Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects

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

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.3 Terms and Conditions (Cont'd)

(8) (Cont'd)

(d) If the Customer fails to meet the Access Service Ratio in any given year of the Term Period of this Contract Offer, after notification by the Telephone Company of such failure, Customer must notify the Telephone Company in writing within five (5) business days that it will meet or exceed a 95% Access ratio within 60 days. Failure to notify in five (5) days and/or failure to rectify in 60 days will cause termination of Contract Offer No. 11 and termination liability charges will apply as set forth in Section 25.11.9.

(9) The Customer shall not be permitted to combine discounts under this Contract Offer, or to apply revenues subject to this Contract Offer, with any other discounts available pursuant to Section 25 for Subject Services under this Contract Offer.

(10) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 11 pursuant to F.C.C. No. 39, Section 2.1.2 the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.1.2 are fulfilled unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or (2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.3 Terms and Conditions (Cont'd)

(10) (Cont'd)

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's, but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

25.11.4 Minimum Annual Revenue Commitment (MARC)

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

(A) Determining the Minimum Annual Revenue Commitment

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

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

Sum of the recurring revenue for all Qualified Access Services of the pervious three (3) months of the contract year, multiplied by four (4), multiplied by 95%.

If the recalculated MARC is greater than the previous year's MARC, the newly recalculated MARC will apply. If the recalculated MARC is less than the previous year's MARC, the previous year's MARC will carryover for the new year.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

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

$150,000 X 4 X .95 = $570,000

(B) Failure to Achieve the MARC

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

(1) The Customer pays the difference between the Annual MARC for the current term year and the actual annual recurring revenue for the Subject Services as set forth in the true-up process as described in Section 25.11.6 within 60 days ; or

(2) The Customer terminates its Contract Offer No. 11 and pays termination liability charges as set forth in Section 25.11.9, following.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.5 Rates

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

TABLE C:

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

The Telephone Company shall waive the following Non-Recurring charges(NRCs) associated with the purchase of qualifying DS1, DS3, OCN Point to Point and Dedicated Ring Services for Customers subscribed to Contract Offer No. 11:

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

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.6 Portability

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

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

25.11.7 Annual True-Up

The Telephone Company shall conduct an Annual True-Up on the anniversary date of each term year of this Contract Offer based on the Customer's MARC commitment. If the Customer fails to achieve the annual MARC commitment as of the anniversary date, the Customer will be notified by the Telephone Company SBC and will be required to remit an Annual True-Up payment to reach the MARC commitment. The true-up calculation will be performed as follows:

Annual MARC – Actual Annual recurring revenues for Qualified Access Services =Annual True-Up Amount

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

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.11.8 Technology Upgrade

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

(a) Is comparable to existing Subject Services;

(b) provides substantially the same functionality as the existing Qualified Access Services;

(c) Customer agrees to purchase the upgraded technology for at least the remainder of the Term Period of this Contract Offer. (N)

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

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

25.11.9 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Tariff No. 11, Section 7.4.10 (C). If the Customer terminates service under this Contract Offer before the completion of the term period for any reason, the Customer must pay the Telephone Company termination charges as described in this section. These charges shall become due as of the effective date of the termination of service. The Customer must provide written notification to the Telephone Company 60 days prior to the desired date of termination of the Qualified Access Services pursuant to this Contract Offer.

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

If the Customer terminates this Contract Offer before the completion of the term period, the Customer's termination liability charges for termination of the contract shall be equal to:

50% of the difference between the Actual Current Annual Recurring Revenue for Qualified Access Services and the annual MARC at the time of termination, plus 50% of the annual MARC at the time of termination for each subsequent year remaining in the term period.

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

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

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

25. Pricing Flexibility Contract Offerings (N)

25.12 Contract Offer No.12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer

25.12.1 General Description

OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Contract Offer No. 12) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.12.6 for the purchase of four (4) new OC-48 Dedicated Ring Services and four (4) new OC 48 Point-to-Point Circuits.

25.12.2 Subject Services

Contract Offer No. 12 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following Tariff Sections:

- Dedicated SONET Ring Service, FCC 39, Section 20 and 24
- Optical Carrier Network (OCN) Point-to-Point Service, FCC 39, Section 23 and 24

25.12.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 12:

(1) Service must be located in Pricing Flexibility MSAs: New Haven; Hartford, CT

(2) Customer must purchase four (4) new OC-48 Dedicated Ring Service within one (1) month of subscribing to Contract Offer No. 12; and

(3) Customer must purchase four (4) new OC48 Point to Point Circuits within one (1) month of subscribing to Contract Offer No. 12.

(B) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.12 Contract Offer No. 12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Cont'd)

25.12.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years, commencing on the date the service order is completed. Billing for Contract Offer No. 12 commences no later than 30 days after the Telephone Company's completion of the access service order, with the billing begin date to be the same as the service order completion date. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in SNET Tariff F.C.C. No. 39 Section 20 for OC-48 Dedicated Ring Service, and Section 23 Optical Carrier Network (OCN) Point-to-Point services.

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the SNET Tariff F.C.C. No. 39, Sections 20 and 23, Subject Services will be converted to the prevailing applicable monthly rates.

Rate stability under Contract Offer No. 12 applies only to the rates specific to this Contract Offer as outlined in Table A in Section 25.12.6. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of SNET F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 12.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.12 Contract Offer No. 12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Cont'd)

25.12.4 Terms and Conditions (Cont'd)

(B) Contract Offer No. 12 is only available May 27, 2005, through July 27, 2005;

(C) Contract Offer No. 12 discounted rates, as described in Section 25.12.6, must be for new installations only;

(D) In order to subscribe to Contract Offer No. 12, a Customer must submit a Letter of Subscription (LOS) to the Telephone Company;

(E) If the Customer should discontinue service under Contract Offer No. 12 during the Term Period, termination liability charges will apply in accordance with Section 25.12.8;

(F) Customer must subscribe to the services available under this Contract Offer No. 12 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(G) If after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Term Period the Customer cancels the LOS, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(H) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 12, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements; and

(I) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 12 that might be offered by the Telephone Company for services covered under this Contract Offer 12. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.12 Contract Offer No. 12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Cont'd)

25.12.5 Assign and Transfer

If the Customer wishes to assign or transfer its use of services under Contract Offer No. 12 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee, transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent, defined as an entity that owns directly or indirectly more than 50% of the equity of the proposed assignee or transferee, are rated below investment grade, as defined by the Securities and Exchange Commission, or;

If any debt securities of a proposed assignee, transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;
(ii) "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.12 Contract Offer No. 12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Cont'd)

25.12.6 Rates and Charges

(A) New OC-48Dedicated Ring Service and Optical Carrier Network OC-48 Service Rates and Charges:

Customer must pay the following Non-recurring Charges (NRC) and Monthly Recurring Charge (MRC) for the four(4)new OC-48 Dedicated Ring Services and four (4) new OC-48 OCN Point to Point circuits:

Table A - Monthly Recurring Charge (MRC) and Non-Recurring Charges (NRC)per ring.

Rate Element	**USOC**	**Qty**	**MRC**	**NRC**
OC-48 DSRS		2		
Customer Prem Node	SEFCK	2		
Central Office Node	SEFCN	2		
Add/Drop Capability	SEFCW	4		
OC3 Port	SEFCP	56		
DS3 Port	SEFCQ	24		
Regenerator	SEFCU	2		
Mileage	SEFCT	102		
OC-48 Point to Point		2		
Local Distribution Channel	TMECS	2		
Interoffice Mileage – Fixed	1L5XX	2		
Interoffice Mileage – Per mile	1L5XX	30		
Total MRC and NRC			$55,910.00	$4,560.00
OC-48 DSRS		2		
Customer Prem Node	SEFCK	2		
Central Office Node	SEFCN	2		
Add/Drop Capability	SEFCW	4		
OC3 Port	SEFCP	60		
DS3 Port	SEFCQ	12		
Regenerator	SEFCU	2		
Mileage	SEFCT	72		
OC-48 Point to Point		2		
Interoffice Mileage – Fixed	1L5XX	2		
Interoffice Mileage – Per mile	1L5XX	16		
Total MRC and NRC for			$ 43,268.00	$4,560.00

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.12 Contract Offer No. 12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Cont'd)

25.12.6 Rates and Charges (Cont'd)

If a node is added after the initial installation of the OC-48 Dedicated Ring, the new node will be co-terminus with the initial Term Period and the MRC for the node will be rates from the appropriate tariff section. However, if a node is added during the last (twelve) 12 months or less of the Term Period, the Customer will be billed the node MRC for a minimum period of (twelve) 12 months.

25.12.7 Technology Upgrade Option

(A) The Customer may request that the new OC-48 Dedicated Ring Service and Optical Carrier Network OC48 Point-to-Point Service be converted to a different higher grade service in the qualified pricing flexibility MSA covered under this Contract Offer, without incurring termination liability charges as long as the following conditions are met:

(1) The customer must notify the Telephone Company of its desire to upgrade in writing;

(2) All terms and conditions of Contract Offer No. 12 must be met in order for the Customer to upgrade service.

(3) The Term Period for the upgraded services must equal or extend beyond the Term Period of Contract Offer No. 12

(4) The aggregate of the monthly payments of the upgraded service over the term of such service (Upgrade Service Revenue Value) must be equal to or greater than the aggregate of the monthly payments of the remaining Term Period (Existing Service Revenue Value).

(N)

25. Pricing Flexibility Contract Offering (Cont'd) (N)

25.12 Contract Offer No. 12 – OC-48 Dedicated Ring Service and Point-to-Point Service Offer (Cont'd)

25.12.7 Technology Upgrade Option (Cont'd)

(5) If the Upgrade Service Revenue is less than the Existing Service Revenue Value, the Customer may make a one-time payment equal to the difference between the Upgrade Service Revenue and the Existing Service Revenue Value. This payment must be made before the Telephone Company begins work on the requested upgrade; or

(6) The Customer must notify the Telephone Company in writing of its desire to convert to the upgraded service. The Telephone Company will terminate Contract Offer No. 12 and termination liability charges, as determined in accordance with Section 25.12.8, will apply.

25.12.8 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 20.4 and Section 23.2.1. If Customer terminates Contract Offer No. 12 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 20.4.(C).7 and Section 23.2.1. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as:

$20,000 X 24 X 50% = $240,000 termination liability charge. (N)

(N)

25. Pricing Flexibility Contract Offerings

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer

25.13.1 General Description

Special Access OC3/DS1 Package Offer is an access discount pricing plan that permits Customers located in Phase 1 and Phase 2 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the rates listed in Section 25.13.6 for the purchase of DS1 special access transport bandwidth subtending a two (2) node OC-3 Dedicated SONET Ring Service (DSRS). Upon subscription, Customer must purchase one of the Special Access OC-3 / DS1 Package options, as described in Section 25.13.3(B)(3), herein. Contract Offer is available for subscription May 28, 2005 through August 31, 2005. This Contract Offer is not renewable.

25.13.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to purchase Contract Offer No. 13:

(1) Service must be located in the following Pricing Flexibility MSAs: Bridgeport, Hartford and New Haven, CT.
(2) All traffic must originate or terminate at a Mobile Switching Center (MSC).
(3) DS1 Special Access services purchased under this Contract Offer must have interoffice mileage between zero (0) and ten (10) Miles.

(B) Contract Offer No. 13 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) OC-3 Dedicated SONET Ring Service – Southern New England Telephone Tariff F.C.C. No. 39, Section 20 for Phase 1 MSAs and Section 24 for Phase 2 MSAs;

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

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein.

(N)

(This page filed under Transmittal No. 871)

25. Pricing Flexibility Contract Offerings (N)

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer

25.13.3 Terms and Conditions

(A) Term Period

The contract term is five (5) years (hereafter referred to as Term Period), commencing on the date billing begins. Billing commences for the new Special Access OC3/DS1 Package no later than 30 days after the Telephone Company's completion of access service order for Subject Services. This offer is not renewable.

At the expiration of the Term Period, the Customer may select payment options from Section 7, Section 20, or Section 24. If at the expiration of the Term Period Customer does not select a payment option, the DS1 services will be converted to the month-to-month rates found in Section 7.16.4 or Section 24.5.2.6 and the OC-3 Dedicated SONET Ring Service will be converted to the monthly extension rates found in Section 20.4 or Section 24.5.2.7.

Rate stability under this contract term applies only to the rates specific to Contract Offer No. 13 as listed in Section 25.13.6. Purchase of Subject Services listed above under Contract Offer No. 13 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 8-Testing, Maintenance, and Additional Labor Services, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period, however, such tariff modifications will not change the terms and conditions described in Contract Offer No 13.

(B) Terms and Conditions

(1) This Contract Offer No. 13 is only available May 28, 2005 through August 31, 2005;

(2) Customer must submit a Letter of Subscription (LOS) to the Telephone Company; (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer (Cont'd) (N)

25.13.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(3) Upon subscription, the customer must chose one of the following Special Access OC-3/DS1 Package options:
(a) 2 Node OC-3 DSRS with Seven (7) DS1s; or
(b) 2 Node OC-3 DSRS with Fourteen (14) DS1s; or
(c) 2 Node OC-3 DSRS with Twenty-eight (28) DS1s

(4) The total capacity of the two (2) node OC-3 DSRS must be eighty-four (84) DS1 special access services. The total capacity must not exceed eighty-four (84) DS1 special access services at any time during the Term Period.

(5) If the Customer should discontinue service under Contract Offer No. 13 prior to the end of the Term Period, termination liability charges will apply in accordance with Section 25.13.7;

(6) Customer must subscribe to Subject Service available under this Contract Offer No. 13 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(7) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(8) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 13, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 8. Modifications of services include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements; (N)

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

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer (Cont'd)

25.13.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(9) Subject Services provided pursuant to this Contract Offer No. 13 shall not be eligible for any other discount, promotion, or contract offer.

(10) Subject Services must have an installation completion date on or before November 30, 2005. Subject Services that have completion dates after November 30, 2005 are not eligible for this Contract. However, services that are assigned completion dates beyond November 30, 2005 as a result of Telephone Company reasons will be eligible for the Contract.

(C) Conversion of Existing Service

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

Existing DS1 Service as of the effective date of this Contract Offer that is currently provisioned over a Dedicated SONET Ring Service is not eligible for conversion to this Contract Offer No. 13. Existing OC-3 Dedicated SONET Ring Service as of the effective date of this Contract offer is not eligible for conversion to Contract Offer No. 13. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer (Cont'd)

25.13.4 Assignment and Transfer

(A) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 13 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled, unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(2) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(a) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(b) "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

 (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer (Cont'd)

25.13.5 Upgrade Option

During the Term Period, Customer may upgrade the DS1s of the Special Access OC-3/DS1 Package subscribed to under this Contract Offer to a higher package offering as shown in Table A below. Termination Liability associated with the termination of original package of DS1s will be waived.

Table A

Package Subscription	Upgrade Package Available
7 DS1s	14 DS1s or 28 DS1s
14 DS1s	28 DS1s
28 DS1s or greater	7 DS1s as described in 25.13.6

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

25.13.6 Rates and Charges

(A) Customer must pay the following Monthly Recurring Charge (MRC) in Table B.

(B) The MRC in Table B includes the 2 node OC-3 DSRS and Special Access DS1 rate elements and quantities in Table C and Table D.

Monthly Recurring Charge (MRC):

Table B:

OC3/DS1 Package	Rate (Includes DS1s with 0 Miles up to and including 10 Miles)
2 Node OC3 DSRS and 7 DS1s	$2850.00
2 Node OC3 DSRS and 14 DS1s	$3500.00
2 Node OC3 DSRS and 28 DS1s	$4500.00
Each Additional 7 DS1s above 28	$1000.00 per 7 DS1s

Table C:

OC-3 Dedicated Ring	USOC	Quantity
OC-3 Customer Premise Node	SEFBN	1 Node
OC-3 Central Office Node	SEFBP	1 Node
OC-3 DS1 Ports (7 DS1s)	SEFBQ	14 Ports
OC-3 DS1 Ports (14 DS1s)	SEFBQ	28 Ports
OC-3 DS1 Ports (28 DS1s)	SEFBQ	56 Ports
OC-3 DS1 Ports (Each Additional 7 DS1s)	SEFBQ	14 Additional Ports per 7 DS1s
OC-3 Ring Mileage	SEFBT	2 Miles

(N)

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

25.13 Contract Offer No. 13 – Special Access OC3/DS1 Package Offer (Cont'd)

25.13.6 Rates and Charges (Cont'd)

Table D:

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

(C) Customer must pay the Non-Recurring charges as listed in Section 7, Section 20, or Section 24.

25.13.7 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 7 and Section 20. If the Customer terminates Contract Offer No. 13, Special Access OC3/DS1 Package before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described below. The Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $3,500 monthly recurring charge terminates service after one (1) year and has forty-eight (48) months remaining in a five (5) year term plan. The termination liability would be calculated as:
$3,500 X 48 X 50% = $84,000 termination liability charge. (N)

(This page filed under Transmittal No. 871)

25. Pricing Flexibility Contract Offerings (N)

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

25.14.1 General Description

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

25.14.2 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive the DS3/DS1 High Capacity Special Access Service Contract Offer No. 14:

(1)Service must be located in Pricing Flexibility MSA: Hartford and Bridgeport, Connecticut;

(2)Customer must purchase two(2)new DS3 and eight (8) new DS1 High Capacity Special Access Service within one month of subscribing to Contract Offer No. 14; and

(3)All traffic must originate or terminate at a Mobile Switching Center (MSC).

(B) Contract Offer No. 14 applies to pricing flexibility qualified access service, DS3 and DS1 High Capacity Special Access, contained in Southern New England Telephone Company Tariff F.C.C. No. 39, Section 24;

(C) All terms and conditions for the qualified services listed above are governed by their respective tariff sections except as noted herein. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.14.3 Terms and Conditions

(A) Term Period

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

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

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

Rate stability under this contract Term Period applies only to the rates specific to Contract Offer No. 14 as listed in Section 25.14.4. Purchase of the services listed above under Contract Offer No. 14 are also subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 39 as set forth in Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services, and such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No 14. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.14.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) This Contract Offer No. 14 is only available May 28, 2005, through June 28, 2005;

(2) DS3 and DS1 High Capacity Special Access Service discounted rates, as described in Section 25.14.4 must be for new installations only;

(3) Customer must submit a Letter of Subscription (LOS);

(4) If the Customer should discontinue service under Contract Offer No. 14 during the Term Period, termination liability charges will apply in accordance with Section 25.14.5;

(5) Customer must subscribe to the services available under this Contract Offer No. 14 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service;

(6) If, after the Telephone Company receives the LOS and prior to commencement of the Term Period, the Customer cancels the LOS and /or Access Service Request (ASR), cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(7) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 14, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 13. Modifications of services include but are not limited to reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(8) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 14 that might be offered by the Telephone Company for services covered under this Contract Offer 14.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.14.3 Terms and Conditions (Cont'd)

(B) (Cont'd)

(9) If the Customer wishes to assign or transfer its use of services under Contract Offer No. 14 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in F.C.C. No. 39, Section 2.5.5 are fulfilled unless 1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (a) or (b) below, or 2) if the proposed assignee or transferee or its parent, has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(a) Any debt securities of the proposed assignee or transferee or its parent defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee are rated below investment grade, as defined by the Securities and Exchange Commission or;

If any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.

(b) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies, e.g. Standard and Poor's but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated:

(i) "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or;

(ii) "high risk" in a Paydex score as published by Dun and Bradstreet. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.14.4 Rates and Charges

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

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

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

Monthly Recurring Charge (MRC):

(1) DS3 High Capacity Special Access Service MRC:

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

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

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

(N)

25. Pricing Flexibility Contract Offering (Cont'd) (N)

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

25.14.5 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 7. If the Customer terminates Contract Offer No. 14 before the completion of the Term Period for any reason, Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 7. Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $6,000 monthly recurring charge terminates service after three (3) years and has twenty-four (24) months remaining in a five (5) year term plan. The termination liability would be calculated as:

$6,000 X 24 X 50% = $72,000 termination liability charge. (N)

(N)

25. Pricing Flexibility Contract Offerings

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

(N)

25.15.1 General Description (Nx)

Contract Offer No. 15 – the Broadband Plan is a special access discount pricing plan requiring subscription from the Customer under the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No 2, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39. The Broadband Plan provides discounted rates (Level II as described below) subject to volume commitments as described in Section 25.15.4 (G). (Nx)

(N)

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

(1) Level I – Qualified existing access services that are already in service prior to the commencement of the Term Period are "Level I" circuits. Level I circuits will be counted toward the Customer's Portability Volume Commitment, as provided in Section 25.15.4 (G) of this Contract Offer, but are not eligible for the discounts provided under this Contract Offer.

(2) Level II – Qualified access services that are installed during the Term Period, or qualified access services that migrate from Level I to Level II as described in section 25.15.5, are "Level II" circuits. Level II circuits will be counted toward the Customer's Portability Volume Commitment and also will be eligible for the discounts provided under this Contract Offer.

Qualified services under this Contract Offer are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 25.15.3 (A). Contract Offer No. 15 is available for subscription from June 1, 2005 through August 1, 2005. This Contract Offer is not renewable.

(N)

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

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.2 Subject Services

This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in the following tariff sections:

(1) High Capacity Service (DS3), SNET Tariff F.C.C. No. 39, Section 7.16.4 for Phase 1 MSAs and Section 24.5.2.6 for Phase 2 MSAs;
(2) OCN Point to Point (OC-3, OC-12), SNET Tariff F.C.C. No. 39, Section 23.3 for Phase 1 MSAs and Section 24.5.2.9 for Phase 2 MSAs;

All terms and conditions for the Subject Services provided under this Contract Offer are governed by their respective tariff sections, except as noted herein.

25.15.3 Eligibility Criteria

The following eligibility criteria must be met for Subject Services to be provided under this Contract Offer.

(A) Subject Services must be located in the following Pricing Flexibility MSAs:

Hartford, CT; Bridgeport, CT

If the Telephone Company receives end-user channel termination pricing flexibility relief in additional MSAs, those MSAs will be added the Broadband Plan, as outlined in Section 25.15.4 (E) of this Contract Offer.

(N)

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

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

25.15.3 Eligibility Criteria (Cont'd)

(B) Subject Services must be configured as follows:

(1) Subject Services must be a non-channelized point-to-point service; and
(2) Both end points of the circuit must be served by the Telephone Company and be located in an MSA listed in Section 25.15.3 (A) of this Contract Offer; and
(3) Subject Services must be at capacity levels of DS3, OC-3 or OC-12; and
(4) The 'Z' location for each circuit must be an end-user premise that is not a wireless cell site.

(C) The Customer must have a minimum of 1,200 existing Subject Service circuits meeting the configuration requirements described in Section 25.15.3 (B) of this Contract Offer. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.4 Term and Conditions

(A) Term Period

The Term Period for this Contract Offer shall be five (5) years commencing on the first day of the month after the Telephone Company receives a completed Letter of Subscription (LOS).

If the Customer elects to continue service upon the expiration of the Term Period, the Customer may; by written notification to the Telephone Company sixty (60) days prior to the expiration of the Term Period:

(1) Extend rates, terms and conditions of this Contract Offer for one (1) additional two (2) year term; or
(2) Select from the applicable payment options in SNET Tariff F.C.C. No. 39.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services provided under this Contract Offer will be subsequently be provided under the prevailing applicable monthly extension rates found in SNET Tariff F.C.C. No. 39. (N)

(B) Subscription (Nx)

(1) Contract Offer No. 15 is available only from June 1, 2005 through August 1, 2005.

(2) To subscribe to this Contact Offer the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(3) To subscribe to this Contract Offer the Customer must meet all eligibility criteria as outlined in 25.15.3.

(4) The Customer must also concurrently subscribe to the following contract offers pursuant to the following tariffs:

(a) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 47;
(b) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 54;
(c) NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 3;
(d) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 61.

(Nx)

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

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

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

25.15.4 Term and Conditions (Cont'd)

(C) General

(1) The Customer must subscribe to the services available under this Contract Offer according to the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5-Ordering Regulations.

(2) Subject Services provided under this Contract Offer shall also be subject to certain rates, charges and general terms and conditions set forth in SNET Tariff F.C.C. No. 39, Sections: 2-General Regulations, 5-Ordering Regulations, and 8-Testing, Maintenance and Additional Labor Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period, however such tariff modifications will not change the terms and conditions described in this Contract Offer.

(3) If the Customer discontinues service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 25.15.10 of this Contract Offer.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.4 Term and Conditions (Cont'd)

(D) New Subject Services

(1) All of the Customer's new Subject Services that are purchased from the Telephone Company and are eligible for inclusion in this Contract Offer must be provided under this Contract Offer.

(2) The Customer may not include new Subject Services that are provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.

(3) The Customer must subscribe to all new Subject Services according to the otherwise applicable one (1) year term payment plan.

(4) The Customer must pay all Special Construction charges associated with the provisioning of new Subject Services.

(5) New Subject Services must remain in service under this Contract Offer for at least one (1) year.

(6) New Subject Services installed in the final year of the Term Period of this Contract Offer must remain in service for at least one (1) year. Such Subject Services will continue to be subject to the Rates and Charges outlined in this Contract Offer for the remainder of the one (1) year minimum period. If any such Subject Services do not remain in service for at least one (1) year, they will be subject to Termination Liability as described in Section 25.15.10 of this Contract Offer.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.4 Term and Conditions (Cont'd)

(E) Additional MSA Relief

(1) Upon FCC approval of additional MSAs for pricing flexibility relief for end-user channel terminations, those MSAs will be added to the Broadband Plan in TSA_3.

(2) Subject Services that were installed in such additional MSAs prior to the commencement of the Term Period will be included in this Contract Offer as Level I services; subject to existing terms for Migration to Level II as provided in Section 25.15.5.

(3) Subject Services installed, in such additional MSAs, during the Term Period will be included in this Contract Offer as Level II services.

(4) As Subject Services in such additional MSAs are provided under this Contract Offer, the then-current Portability Volume Commitment will be increased to reflect the added Subject Services, based on the in service volumes for qualified Subject Services that are reflected in the recurring billing records from the Telephone Company during the month prior to the MSA being granted pricing flexibility relief.

(F) Access Service Ratio

The Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater. The ratio will be based cumulative billing for DS1 and DS3 services in the MSAs described in Section 25.15.3 (A) of this Contract Offer for the prior six-month period. The Access Service Ratio will be calculated upon the completion of each six-month period beginning upon the commencement of the Term Period as follows:

$$\frac{\text{Access Billing} - \text{Wholesale Billing}}{\text{Access Billing}}$$

Where:

(1) Access Billing consists of the Customer's and its affiliates' interstate recurring billing for DS1 and DS3 rate elements, as defined in SNET Tariff F.C.C. No. 39, Sections 7.16.4 and 24.5.2.6; and

(2) Wholesale Billing consists of the Customer's and its affiliates' recurring billing for DS1 and DS3 bandwidth equivalent rate elements, as provided in Table A, not included in the interstate tariff(s). (N)

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

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

25.15.4 Term and Conditions (Cont'd)

(F) Access Service Ratio (Cont'd)

Table A:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	4-wire Digital Loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 Non-tariffed Committed Information Rate Broadband Services Unbundled Dedicated Transport
DS3/LT3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 Non-tariffed Committed Information Rate Broadband Services Unbundled Dedicated Transport

(3) If new wholesale rate elements are introduced which are comparable to those set forth in Table A, all recurring billing associated with those new rate elements will also be included in the Customer's Wholesale Billing, as defined in this Section 25.15.4 (F), for purposes of calculating the Customer's Access Service Ratio.

(4) If the Customer does not meet the Access Service Ratio, then the Customer must pay the Telephone Company an amount sufficient to result in the Customer's resulting total Access Billing being equivalent to the amount that would have been billed, had the Customer maintained an Access Service Ratio of 95 percent. If the Customer fails to pay that amount, the Customer shall be deemed to have terminated this Contract Offer.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC)

Portability is provided under this Contract Offer through the Portability Volume Commitment (PVC). For purposes of determining the Customer's PVC, the Telephone Company shall aggregate volumes for the various Subject Services included in this Contract Offer by converting counts of Telephone Company assigned unique Circuit ID's, by Circuit Type, into PVC Units, as shown below in Table B.

Table B:

Qty	**Circuit Type**		**PVC Units**
1	DS3	=	1
1	OC-3	=	2.5
1	OC-12	=	5

(1) PVC Level

(a) The initial PVC Level shall be established at the commencement of the Term Period and is based on the in service volumes for Level I Subject Services that are reflected in the recurring billing records of the Telephone Company during the month prior to the commitment the Term Period.

(b) The PVC Level will be reset after each PVC Attainment Review, as described below in Section 25.15.4 (G) (2) (c).

(c) The PVC Level can not be reduced, except as provided by the PVC Reduction Option described in Section 25.15.4 (G) (5) of this Contract Offer. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(2) PVC Attainment Review

Upon the completion of each six-month period, beginning upon the commencement of the Term Period, the Telephone Company will perform a review (the PVC Attainment Review), to compare the Customer's then-current PVC Measurement to the PVC Floor.

(a) The Telephone Company shall calculate the Customer's PVC Level and PVC Floor as follows:

(i) The PVC Measurement shall be the sum of all Level I and Level II PVC Units that are reflected in the recurring billing records of the Telephone Company for the last month of the period under review.

(ii) The PVC Floor shall be equal to the Customer's then-current PVC Level, multiplied by the PVC Attainment Factor, as provided in Table C:

Table C:

Current PVC Level	**PVC Attainment Factor**
1,200 – 1,800	95%
1,801 – 2,100	92%
2,101 +	90%

(b) The Customer's PVC Measurement, at the time of each six-month review, must equal or exceed the current PVC Floor.

(i) If the PVC Measurement is greater than or equal to the PVC Floor, the Customer shall be deemed to have met the PVC requirement for the six-month period under review.

(ii) If PVC Measurement is lower than the PVC Floor, then the Customer must pay the PVC Attainment Shortfall as described in Section 25.15.4 (G) (3).

(c) Upon completion of the PVC Attainment Review, the PVC Level shall be reset to the PVC Measurement calculated for the period under review, or the existing PVC Level, whichever is greater.

(N)

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

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

25.15.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(3) PVC Attainment Shortfall Payment

The PVC Attainment Shortfall Payment shall be calculated as follows:

(a) The PVC Unit Shortfall shall be calculated according to the following equation: (PVC Level x 95%) - PVC Measurement = PVC Unit Shortfall.

(b) The PVC Attainment Shortfall Payment shall be calculated by multiplying the PVC Unit Shortfall by $9,600. (N)

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

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

25.15.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(4) PVC Attainment Review Example

At month 6:
PVC Level = 1,500. PVC Measurement = 1,800. PVC Measurement exceeds PVC Floor of 1,425, thus commitment is met and new PVC Level is reset to 1,800.

At month 12:
PVC Level = 1,800. PVC Measurement = 1,750. PVC Measurement exceeds PVC Floor of 1,710, thus commitment is met and PVC Level remains 1,800.

At month 18:
PVC Level = 1,800. PVC Measurement 18 = 1,700. PVC Measurement is below PVC Floor of 1,710, thus commitment is not met. Customer must pay PVC Attainment Shortfall and PVC Level remains = 1,800.

Month 18 PVC Attainment Shortfall calculation:
Step 1 – (PVC Level x 95%) - PVC Measurement = PVC Unit Shortfall
[(1,800 x 95%) – 1,700] = 10
Step 2 - PVC Unit Shortfall x $9,600 = PVC Attainment Shortfall Payment
10 x $9,600 = $96,000

Table D: PVC Attainment Review Example

Completed Contract Month	PVC Level	PVC Floor	PVC Measure-ment	PVC Attainment Review	PVC Unit Shortfall	PVC Attainment Shortfall
6	1,500	1,425	1,800	met	0	n/a
12	1,800	1,710	1,750	met	0	n/a
18	1,800	1,710	1,700		10	$96,000

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.4 Term and Conditions (Cont'd)

(G) Portability Volume Commitment (PVC) (Cont'd)

(5) PVC Reduction Option

Annually, upon each anniversary of the commencement of the Term Period, the Customer shall be permitted to reduce its PVC Level, as outlined herein:

(a) The PVC Reduction Option is available only if the Customer has met the PVC requirements of this Contract Offer during the previous six-month period, as provided in Section 25.15.4 (G) (2) (b) of this Contract Offer, either by meeting the PVC Attainment Review criteria or by making the PVC Attainment Shortfall Payment.
(b) The PVC Reduction Option lowers Customer's PVC Level; however, the Customer's PVC Level remains subject to increase through the PVC Attainment Review process as provided in Section 25.15.4 (G) (2) of this Contract Offer.
(c) The Customer must notify the Telephone Company, in writing, within sixty (60) days following the anniversary of the commencement of the Term Period, of its decision to reduce the PVC Level, to be effective during the year of the Term Period in which notice is provided. The Customer shall include in its notice a PVC Reduction Amount, which shall be the amount of the reduction the customer has chosen, expressed in PVC Units.
(d) A PVC Reduction Charge shall be calculated by multiplying the PVC Reduction Amount by $1,600, then multiplying that amount by the PVC Term Factor, as provided in Table E:

Table E:

	PVC Term Factor
Completion of Year 1	24
Completion of Year 2	18
Completion of Year 3	12
Completion of Year 4	6

Example: PVC Reduction
Customer requests a PVC Reduction of 10 PVC Units upon the completion of Year 2. PVC Reduction Charge is calculated as follows:

Requested PVC Reduction x $1,600 x PVC Term Factor = PVC Reduction Charge (N)
10 x $1,600 x 18 = $288,000

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.5 Migration of Subject Services from Level I to Level II

Eligible Level I circuits may migrate to Level II of this Contract Offer. Migration from Level I to Level II may occur either automatically under defined circumstances (Type I Migration) or at the option of the Customer (Type II Migration), as further provided below. Upon migration, migrated circuits shall be subject to TSA_3 Rates and Charges, as provided in Section 25.15.7 of this Contract Offer.

(A) Migration Eligibility

Level I circuits must meet the following qualifications to deemed eligible to migrate to Level II.

(1) Level I circuits eligible for migration cannot be included in a promotional tariff or contract offering of any kind.

(2) Level I circuits shall continue to be subject to the rates, terms and conditions of the otherwise applicable tariffs, including any otherwise applicable term payment plans. Upon expiration of existing term payment plans for Level I circuits the Customer must select one of the following options for the circuits to remain eligible for Level II status:

(a) Circuits may be provided according to Monthly Extension Rates; or
(b) Circuits may be renewed for terms equal to the existing terms; or
(c) Circuits may be renewed for terms shorter than the existing terms.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.5 Migration of Subject Services from Level I to Level II (Cont'd)

(B) Rank Ordered Migration List

(1) Upon completion of each PVC Attainment Review, the Telephone Company will provide the Customer a Rank Ordered Migration List of eligible Level I circuits. Type I and Type II Migration to Level II will be based on this list. To be included on the Rank Ordered Migration List, circuits must remain eligible for migration, as provided Section 25.15.5 (A) of this Contract Offer.

(2) Level I circuits eligible for migration will be included in the Rank Ordered Migration List. The first criterion for the rank ordering shall be the service term applicable to each circuit (Expired Plans, 1 yr, 2 yr, 3yr, 4 yr and 5 yr respectively). The second criterion for the rank ordering shall be oldest Service Establishment Date. Both the service term and Service Establishment Date shall be determined according to the end-user termination rate element in the Telephone Company's billing records.

(C) Type I Migration

Type I Migration shall occur automatically if, upon any PVC Attainment Review, the PVC Measurement exceeds the PVC Level. For each PVC Unit by which the PVC Measurement exceeds the PVC Level, one PVC Unit shall be migrated from Level I to Level II. The order of migration shall be determined according to the Rank Ordered Migration List. TSA_3 pricing shall apply to all circuits subject to Type I Migration, effective on the first day of the subsequent PVC Attainment Review Period.

(N)

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

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

25.15.5 Migration of Subject Services from Level I to Level II (Cont'd)

(D) Type II Migration

Type II Migration shall be permitted at the Customer's option, as provided in this Section 25.15.5 (D)

(1) The Customer must submit a written request to the Telephone Company meeting the following requirements:

(a) The Customer's request must be received by the Telephone Company within sixty (60) days after the completion of the last day of the six-month PVC Attainment Review Period; and
(b) The request must include the specific number of PVC Units to be migrated.

(2) The order of migration shall be determined according to the Rank Ordered Migration List.

(3) TSA_3 pricing will apply to all circuits subject to Type II Migration, effective on the date the Telephone Company receives the Customer's written request.

(4) A one-time migration charge will apply, as provided in Table F:

Table F: One-Time Migration Charge per PVC Unit

	Migration Charge *(per PVC Attainment Review Period)*							
Cumulative Net Adds	12	18	24	30	36	42	48	54
0 - 75	$10,595							
76 - 125	$8,965							
126 - 200	$7,335							
201 - 300	$5,705							
301 - 425	$4,075							
426 - 575	$2,445							
576 - 725	$815							
726 +	$0							
Less than 400			*Not Eligible for Type II*					
Greater than 400			$2,445		$1,630		$815	

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.6 Termination Liability Credits for Renewed Level I Circuits

If the customer renews a Level I circuit as provided in Section 25.15.5 (A) (2) and that circuit is subsequently disconnected before the completion of its renewal term, the Telephone Company will credit the Customer 50% of the otherwise applicable Termination Liability charges billed to the Customer if the following requirements are met:

(A) The original term plan for the disconnected circuit must expire after the commencement of the Term Period of this Contract Offer; and
(B) The Customer must renew the Level I circuit as provided in Section 25.15.5 (A); and
(C) The renewed Level I circuit must be disconnected before the completion of the first year of the Term Period of this Contract Offer; and
(D) The Customer must pay all billed Termination Liability charges by their applicable due date.

Upon validation of compliance with the eligibility criteria, the Telephone Company will process a billing credit each quarter to the Customer. (N)

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

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

25.15.7 Rates and Charges

(A) Target Service Areas (TSA)

Eligible MSAs have been grouped into TSA_1, TSA_2 or TSA_3 for purpose of applying the Rates and Charges as described in this section of the Contract Offer.

TSA_3
Hartford, CT Bridgeport, CT

(N)

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

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

25.15.7 Rates and Charges (Cont'd)

(B) Monthly Recurring Charge (MRC)

The Customer must pay the applicable MRC for each rate element listed below. Any rate elements not described below will continue to be billed at the applicable tariff rates as described in SNET Tariff F.C.C. No. 39.

Rate Element	Applicable USOC	TSA_1	TSA_2	TSA_3
High Capacity Service DS3				
Channel Termination - Zone 1	TZ4BX	n/a	n/a	$925.00
Channel Termination - Zone 2	TZ4BX	n/a	n/a	$975.00
Channel Termination - Zone 3	TZ4BX	n/a	n/a	$1,000.00
Mileage Fixed – Zone 1	1YBBX	n/a	n/a	$450.00
Mileage Fixed – Zone 2	1YBBX	n/a	n/a	$475.00
Mileage Fixed – Zone 3	1YBBX	n/a	n/a	$500.00
Mileage Variable – Zone 1	1YBBX	n/a	n/a	$35.00
Mileage Variable – Zone 2	1YBBX	n/a	n/a	$40.00
Mileage Variable – Zone 3	1YBBX	n/a	n/a	$45.00
OCN (OC-3/OC-3c)				
Local Distribution Channel	TMECS	n/a	n/a	$1,300.00
Mileage Fixed	1L5XX	n/a	n/a	$886.00
Mileage Variable – per mile	1L5XX	n/a	n/a	$220.00
OCN (OC-12/OC-12c)				
Local Distribution Channel	TMECS	n/a	n/a	$3,000.00
Mileage Fixed	1L5XX	n/a	n/a	$2,250.00
Mileage Variable – per mile	1L5XX	n/a	n/a	$220.00

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.7 Rates and Charges (Cont'd)

(C) Nonrecurring Charges (NRC)

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

N)

(N)

25. Pricing Flexibility Contract Offerings (Cont’d)

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

25.15.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to SNET Tariff F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria of Section 2.5.5 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

25.15.9 Mergers/Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger of acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.15.10 Termination Liability

If Customer terminates this Contract Offer the termination liability language contained below applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39. Customer must pay to the Telephone Company termination liability charges as described below if Customer terminates this Contract Offer before the completion of the term period for any reason, or if Customer is not in compliance with Terms and Conditions in Section 25.15.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the billing invoice date.

Customer's termination liability charges for termination of this Contract Offer shall be equal to a complete reduction of the Portability Volume Commitment as outlined in 25.15.4 (G) (5). The PVC Term Factor shall be based on the longest fully completed year under this Contract Offer at termination.

Upon termination of this Contract Offer, all Subject Services provided under this Contract Offer will subsequently be provided under the prevailing applicable monthly extension rates found in SNET Tariff F.C.C. No. 39.

If the Customer disconnects a Subject Service provided under this Contract Offer prior to the completion of the one (1) year minimum in service requirement, then the following termination liability charges will apply:

75% of all recurring charges for the balance of the one (1) year term period plus the current applicable NRC charge for a service installed under a one (1) year term payment plan less the NRC charge paid at installation of Subject Service.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in order to achieve one (1) year in service) multiplied by (Termination liability percentage of 75%) plus current applicable NRC minus NRC charges already paid.

Example: Customer has $20,000 in Monthly Recurring Charges for a Subject Service provided under this Contract Offer. The customer paid an NRC of $550 at installation and the current applicable NRC equals $750. If Customer terminates service after six (6) months and has six (6) months remaining in order to meet the one (1) year minimum time in service, the termination liability would be calculated as:

($20,000 X 6 months X 75%) + ($750 - $550) = $90,250

(N)

25. Pricing Flexibility Contract Offerings (N)

25.16 Contract Offer No. 16 – Special Access Service Offer

25.16.1 General Description (N)

(Nx)

Special Access Service Offer (Contract Offer No. 16) is an access discount pricing plan for which subscription is required in the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company Tariff F.C.C. No. 1, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, and The Southern New England Telephone Company Tariff F.C.C. No. 39. Contract Offer No. 16 is available to any Customer with at least $26.5 million in cumulative annual recurring revenue for Contributory Services as defined herein. Customer must meet the Eligibility Criteria set forth in Section 25.16.2 and also must comply with all Terms and Conditions of this Contract Offer.

Contract Offer No. 16 requires the Customer to maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period as defined in Section 25.16.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services as described in Section 25.16.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): OPT-E-MAN, ATM, Frame Relay and the following InterLATA services: DS0, DS1, DS3, OC3, OC12, OC48, and OC192. Contributory Services that are Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any ATM, Frame Relay or InterLATA Contributory Services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the website established to make public any agreements for these services. Customers may reference:
https://www.sbcprimeaccess.com/shell.cfm?section=2501

(Nx)
(N)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 25.16.4(D). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer(exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 25.16.9, shall apply. (N)

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

(x)Issued under Authority of Special Permission No. 05-026 of F.C.C.

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

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

25.16.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria in order to subscribe to Contract Offer No. 16, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(1) Contract Offer No. 16 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs):

- Bridgeport, Hartford, New Haven, CT

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 25.16.4. (N)

(2) The Customer's first and second year MARC shall be $26.5 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech Operating Companies (Ameritech), Pacific Bell Telephone Company, Southwestern Bell Telephone Company, and The Southern New England Telephone Company. Other Contributory Services may be provided by other SBC companies. (Nx)

(3) Customer cannot subscribe to Contract Offer No. 16 concurrently with SBC's MVP Offering in Section 19; (N)

(4) The Customer must maintain an Access Service Ratio equal to or greater than 98%. The Access Service Ratio is defined in Section 25.16.3(E) and will be measured quarterly. (N)

(x)Issued under Authority of Special Permission No. 05-026 of F.C.C.

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

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

25.16.2 Eligibility Criteria (Cont'd) (N)

(B) Concurrent Subscription (Nx)

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

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

(C) Contributory Subject Services (N)

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

(1) VG/DS0 Services – Southern New England Telephone Company Tariff F.C.C. No. 39, Sections 10.2.5 for Phase I MSAs, and Sections 24.5.2.1 for Phase II MSAs;
(2) DS1/DS3 Service – Southern New England Telephone Company Tariff F.C.C. No. 39, Section 7.16.4 for Phase I MSAs and Section 24.5.2.6 for Phase II MSAs;
(3) OC3/OC3c; OC12/OC12C/OC48/OC48c/OC192 Service – Southern New England Telephone Company Tariff F.C.C. No. 39, Section 23.3 for Phase I MSAs and Section 24.5.2.9 for Phase II MSAs;
(4) OC3/OC12/OC48/OC192 Dedicated Ring Service – Southern New England Telephone Company Tariff F.C.C. No. 39, Section 20.3 (A) for Phase I MSAs, and Section 24.5.2.7 for Phase II MSAs. (N)

(x)Issued under Authority of Special Permission No. 05-026 of F.C.C.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.2 Eligibility Criteria (Cont'd)

(C) Contributory Subject Services (Cont'd)

(5) Gigabit Ethernet Metropolitan Area Network (GigaMAN) Service – Southern New England Telephone Company Tariff F.C.C. No. 39, Section 7.17.11 for Phase I MSAs and Section 24.5.2.10 for Phase II MSAs.

(6) Multi-service Optical Network (MON) Ring Service – Southern New England Telephone Company Tariff F.C.C. No. 39, Section 28.3 for Phase I MSAs and Section 24.5 for Phase II MSAs.

All Terms and Conditions for the Contributory Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 25.16.4. Only the Contributory Subject Services listed above are eligible for the discounts provided under this Contract Offer. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer, beginning with the first year after the additional services become eligible for pricing flexibility; provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 25.16.4.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) is five (5) years commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 16 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the terms and conditions set forth herein, must be converted to five (5) year term payment plans, (where available) in order to receive discounts pursuant to this Contract Offer. If the five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select from the longest term plan available for the Contributory Subject Service. The Customer may select from any year term payment plan for purchases of new Contributory Subject Services after the commencement of the Term Period of this Contract Offer.

Services are subject to certain rates, charges, and general Terms and Conditions in other sections of F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 13-Miscellaneous Services. Such Terms and Conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Offer No. 16 is only available for subscription June 2, 2005 through July 2, 2005.

(C) Customer must submit a completed LOS to the Telephone Company.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.3 Terms and Conditions (Cont'd)

(D) Customer must subscribe to this Contract Offer in accordance with the regulations set forth in Southern New England Telephone Company Tariff F.C.C. No. 39 Section 5 – Ordering Regulations.

(E) Access Service Ratio

As referenced in Section 25.16.2(A)(4), the Customer and its subsidiaries must maintain an Access Service Ratio of 98% or greater. The Customer shall not migrate any Contributory Services to or from any affiliates in a manner that would affect its obligations under this provision. The ratio, calculated quarterly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 98%. The 98% ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer's and its affiliates interstate recurring billed revenue associated with the rate elements, as defined in table A:

TABLE A:

Service	General/Basic Description
Voice Grade	7.9.1
Base Rate (DS0), DS1 and DS3 Services	7.16.1
OCN PTP	23.1
GigaMAN	7.17.1
Dedicated Ring Service	20.1(A)
MON Ring	28.1

(2) Wholesale Revenue is the Customer's and its subsidiaries' recurring billed revenue for associated rate elements, as defined in Table B, not included in the interstate tariff(s).

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

TABLE B:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3/LT3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service**
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

(3) As new rate elements are introduced to Table A in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio.

(N)

(This page filed under Transmittal No. 875)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.3 Terms and Conditions (Cont'd)

(E) Access Service Ratio (Cont'd)

(4) As new rate elements are introduced to Table B in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Wholesale Revenue, as defined in this section, for calculation of the Access Service Ratio.

(5) If the Customer fails to meet the Access Service Ratio in any given quarter of the term, upon notification from the Telephone Company, the Customer has ten (10) business days to notify the Telephone Company in writing that it will meet or exceed the 98% Access Services Ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and the Telephone Company shall have the right to terminate this Contract Offer, unless the Customer has acted in good faith to achieve compliance and the Customer's failure to achieve compliance within 60 days is caused by delay attributable to the Telephone Company. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 25.16.9.

(6) Credits will not be issued until the Customer has met the 98% Access Services Ratio.

(F) The Customer may not subscribe to any future Contract Offerings in Section 25 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer unless expressly permitted in the future Contract Offer.

(G) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under Section 2.8 of FCC Tariff No. 39 before exercising any remedy under this section. The Telephone Company will provide Customer written notice (via registered letter to Customer's General Counsel) of non-compliance. The Customer will have thirty (30) days from receipt of the

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.3 Terms and Conditions (Cont'd)

(G) (Cont'd)

written notice to comply, which may be extended by mutual agreement of the parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 25.16.9 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.8.

(H) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

25.16.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC
The Customer must establish and maintain a MARC as provided in this Contract Offer. The MARC for the first and second year of the Term Period (Years 1 and 2) will be established when the Telephone Company receives the LOS from the Customer. For purposes of calculating the MARC for Year 1, recurring annual revenue for all Contributory Services shall be included in the calculation based on the rates that would apply to the Contributory Subject Services for a five-year minimum term, regardless of whether the Subject Services were actually purchased pursuant to a five-year term at the time of the Customer's subscription to this Contract Offer. Recurring annual revenue for Contributory (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(A) Calculation of the MARC (Cont'd)

Services that are not Contributory Subject Services shall be included in the calculation based on the actual rates applicable to those Contributory Services at the time of calculation.

The Customer's MARC for Year 1 shall be $26.5 Million or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater. The Customer's Year 2 MARC will be equal to the Year 1 MARC.

The MARC will be re-established, effective on the Anniversary Dates, beginning on the second anniversary (the beginning of Year 3). The MARC for Year 3 and subsequent years will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 1:
The Contract Tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $8M. The new Year 3 MARC, effective May 1, 2007, is $32M ($8M multiplied by 4 equals $32M).

Example 2:
The Contract Tariff date is May 1, 2005. The MARC for Year 2 is $26.5M. The Customer's actual revenue to Telephone Company from February 1, 2007 to April 30, 2007 is $6M. The new Year 3 MARC, effective May 1, 2007, is $26.5M. (The $26.5M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC).

(N)

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

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

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

(A) Calculation of the MARC (Cont'd)

If the Telephone Company receives additional pricing flexibility relief for MSAs that are not listed in Section 25.16.2, or if additional Contributory Subject Services that are not listed in Section 25.16.2 become eligible for pricing flexibility, the additional MSAs or Contributory Subject Services may be included at the Customer's option in this Contract Offer, beginning with the first year after the additional MSAs or Contributory Subject Services became eligible for pricing flexibility. Upon Customer's written notification to the Telephone Company of their intent to exercise this option, the Telephone Company will recalculate the MARC to incorporate the recurring annual revenues from those MSAs or Subject Services and will include those revenues in the calculations described herein. (N)

(Nx)

(B) Inclusion of Additional Contributory Services

Not withstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company as of the date the Customer subscribes to this Contract Offer, but which are then being provided to the Customer according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 25.16.4. If any additional Contributory Services are ATM, Frame Relay or InterLATA services, those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site:
https://www.sbcprimeaccess.com/shell.cfm?section=2501 (Nx)

Example (N)

Year 1 MARC = $26.5M
If during Year 1, the Customer wishes to include $2M of annual spend currently purchased from the Telephone Company under another tariff or contract and if those services qualify as Contributory Services, then the new Year 1 MARC is $28.5M.

(N)

(x)Issued under Authority of Special Permission No. 05-026 of F.C.C.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(C) MARC Adjustments

(1) The Customer shall have the right to adjust the MARC downward by up to 10%. This adjustment can only be made one time during the Term Period at any time after the first 24 months of the Term Period (beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date.

(2) The MARC adjustment shall apply prospectively only. If Customer exercises this option, reduced discounts (as specified in Table D Section 25.16.5 (B)) will apply for the remainder of the Term Period and certain provisions of the Contract Offer will no longer apply as provided in Section 25.16.5 (B). Also, if the Customer exercises this option, any MARC adjustments associated with SLA penalties offered in Section 25.16.5 shall not apply for the remaining years of the Term Period. If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 25.16.7, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated provided the Eligibility Criteria in Section 25.16.2 and Terms and Conditions in Section 25.16.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 25.16.5(B).

(3) The MARC will be adjusted automatically pursuant to SLA measurement guidelines specified in Section 25.16.5, unless the MARC adjustment option discussed in Section 25.16.4.C.1 is exercised.

(D) Failure to Achieve the MARC

The Customer and the Telephone Company agree to exchange information quarterly, and meet quarterly, if necessary, to review Customer's progress toward achieving the MARC for the term year and

(N)

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

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

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

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

The Telephone Company's progress on SLA targets. The Customer and the Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date.

If the Customer fails to achieve the annual MARC commitment as of the Anniversary Dates of each year of the Term Period, the Customer will be notified by the Telephone Company.

The Customer must remit an Annual True-Up payment, the amount of which will be calculated as the difference between the annual MARC for the current term year and the actual recurring annual revenue for the Contributory Services during that term year.

If the Telephone Company does not receive the Annual True-Up amount within 30 days of the Customer's receipt of its notification, the Customer shall be deemed to have terminated this Contract Offer and termination liability charges will apply as set forth in Section 25.16.9.

25.16.5 Discounts and Other Credits

(A) Discount Schedule and Application

(1) Table C contains the level of discounts for this Contract Offer.

TABLE C:

Year	MARC Discount	Discount on Recurring Revenue above the MARC
1	0%	0%
2	5%	5%
3	10%	10%
4	11%	11%
5	12%	12%

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

(1) (Cont'd)

Example for Year 2:

Customer's MARC = $26.5M
Customer's annual recurring revenues for Contributory Services = $32M
Customer's annual recurring revenues for Subject Services = $30M
Customer will receive a 5% discount on $30M (issued annually in accordance with subsection (2)).

(2) The Customer will receive the 0%, 5%, 10%, 11%, or 12% discount (depending on the year outlined in Table C) on annual recurring revenues for Contributory Subject Services, provided that the Customer meets or exceeds the MARC. The discount will be applied no later than 60 days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer unless and until those Contributory Subject Services have been added to this Contract Offer pursuant to Section 25.16.2, Section 25.16.4 Section 25.16.7 or Section 25.16.8.

(B) MARC Adjustments - Discount Schedule and Application

Table D outlines discounts that the Customer will be eligible to receive following a MARC adjustment option pursuant to Section 25.16.4 (C)

TABLE D

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

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(B) MARC Adjustments - Discount Schedule and Application (Cont'd)

Following a MARC adjustment, above the MARC discounts are available only if, during any year, the MARC for that year is equal to or greater than the MARC in effect immediately prior to the adjustment.

Example
The Customer's Year 3 MARC is $30M (calculated as revenue from the last quarter in year 2 x 4). On the Anniversary Date at the beginning of Year 4, the Customer's Year 3 annual recurring revenue for Contributory Services is $25M. The Customer elects to invoke the MARC adjustment option and adjust the MARC downward by 10%. The Customer's Year 4 recalculated MARC is therefore $27M = ($30M x 90%). The Customer must make an Annual True-Up payment for Year 3 in the amount of $5M. If the Customer fails to make the True-Up payment, the Customer will be in default and termination liabilities will apply. Under this scenario, the Customer will not become eligible for the above the MARC discounts provided in table D, above, until the Customer's MARC in a subsequent year equals or exceeds $30M.

(C) Non-Recurring Charges

The Telephone Company will waive installation Non-recurring charges (NRCs) associated with the purchase of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

In order to receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 25.16.4 (A) and/or fails to pay the Annual True-Up as defined in Section 25.16.4 (D), termination liability charges will apply as set forth in Section 25.16.9.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(C) Non-Recurring Charges (Cont'd)

The Customer must pay all other applicable non-recurring charges, including but not limited to rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in Southern New England Telephone Company F.C.C. No. 39, Section 5 for Subject Services pursuant to this Contract Offer.

(D) Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) Customer must be in compliance with all terms and conditions of this Contract Offer.

(2) Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 25.16.2.B.

(3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.

(4) DS3, OC-3 and OC-12 Point to Point Services must have been in service for a minimum of one (1) year from the original installation date.

(5) OC48 Point To Point, OC192 Point to Point and GigaMAN Services must have been in service for a minimum of three (3) years from the original installation date.

(6) If, and to the extent that OPT-E-MAN becomes eligible for pricing flexibility, OPT-E-MAN may, at the Customer's option, become a

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(6) (Cont'd)

Contributory Subject Service included in this Contract Offer. If so, such OPT-E-MAN service shall be eligible for portability provided that, for each OPT-E-MAN circuit to be ported:

(a) facilities necessary to provide OPT-E-MAN, as specified in F.C.C. No. 39, Section 27, exist at the end user location in which the circuit is being moved; and
(b) the circuit has been in service for a minimum of one (1) year from the original installation date.

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

(E) Service Level Assurance (SLA) Performance

The Customer will be eligible for additional credits and/or MARC adjustments based upon the quality of service delivered by the Telephone Company during the Term Period of this Contract Offer. Pursuant to this Contract Offer, SLA credits and MARC adjustments will apply in the event the Telephone Company's SLA service performance level objectives are not met.

SLA performance targets are established for a twelve (12) month interval commencing with the subscription date of this Contract Offer.

The service performance targets will be based on the following four (4) measured service components:

(1) Percent Network Availability: The percent of the time all DS1, DS3 and OCN circuits are in service compared to the total expected availability during the reporting period factoring in both failure frequency and time to repair.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(E) Service Level Assurance (SLA) Performance (Cont'd)

(2) Mean Time To Repair (MTTR) of DS1 circuits: The average time it takes the Telephone Company to repair all of the Customer's DS1 circuits during the reporting period.

(3) Mean Time To Repair (MTTR) of DS3 and OCN circuits: The average time it takes the Telephone Company to repair all of the Customer's DS3 and OCN circuits during the reporting period.

(4) On Time Delivery – Due Date: Calculated by dividing the number of Customer requests for new service and rearrangements of existing service that were missed for Telephone Company reasons by the total number of new service requests and rearrangements of existing service completed during the reporting period. The date used to determine whether or not the service request was missed is the service confirmation date provided on the Firm Order Confirmation (FOC). This measurement will apply to all of the Customer's DS1, DS3 and OCN services.

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

Table E

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

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont’d)

25.16 Contract Offer No. 16 – Special Access Service Offer (Cont’d)

25.16.5 Discounts and Other Credits (Cont’d)

(F) SLA Performance Penalties

At the conclusion of each Anniversary Date, the 12-month averages based on the Telephone Company’s provided results for each measured service will be compared to its corresponding target in Table E. For each measurement that is not achieved by the Telephone Company, the Customer will be eligible to receive credits as outlined in subsection (1) and MARC adjustments as outlined in subsection (2).

(1) The Customer will be eligible for the following credit amounts, as set forth in Table F. For each measurement that is not achieved by the Telephone Company after each Anniversary Date, credits will be paid into a Telephone Company account held on the Customer’s behalf.

Immediately following the Customer’s subscription to this Contract Offer, the Telephone Company will establish a holding account with an initial balance of $300,000. The initial balance of the holding account represents the total, aggregate amount that the Customer will be eligible to receive across the regions identified in Section 25.16.2(B) of this Contract Offer. The credit account will be applied for the purpose of improving service delivery and performance. The Customer and Telephone Company will cooperate in good faith to identify and plan appropriate service and/or service performance projects, which shall be planned and completed as Special Construction. The Telephone Company will follow the Special Construction guidelines provided in F.C.C. Tariff No. 35 for work performed pursuant to this provision, including standard time and materials rates, and shall be subject to any applicable additional charges for expediting or overtime. Work performed pursuant to this provision shall be credited to a designated BAN of the Customer's choice. The amount will be deducted from the SLA credit holding account. After the first Anniversary Date, the Telephone Company will annually add to

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont')

(1) (Cont'd)

the holding account the credit amount due to the Customer for each SLA measurement not met.

The Customer and the Telephone Company will work together to create a project schedule designed to ensure that projects are completed by the Telephone Company prior to the end of each term year.

The initial balance must be used within the first 12 months following the receipt of a signed LOS. Any amount remaining from the initial balance will not be allowed to carry over to Year 2 and will be forfeited. Any credit due to the Customer at the end of term Year 5, will be available to the Customer in the holding account for the 12-month period subsequent to the end of the Term Period. Annual SLA performance credits must be used within the year after the credits were issued, and cannot be rolled over into the following year. Any amounts left over after the year following the issuance of the credits will be forfeited, provided, however, that projects on the project schedule that are not completed at the end of the term year can be completed in the subsequent year and any allocated amounts associated with that project shall not be debited from the following year's holding account balance. If the Telephone Company fails to complete an agreed upon project on the project schedule at any time during the Term Period, the amount allocated for that project shall be carried over until the agreed upon project has been completed.

(N)

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

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

25.16.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(1) (Cont'd)

Table F

Service Quality Measure	**Annual Credit if SLA Target not Met**
% Network Availability (DS1-OCN)	$100,000
MTTR (DS1 only)	$100,000
MTTR (DS3 & OCN)	$100,000
On Time Delivery – Due Date (DS1-OCN)	$100,000

The credits in Table F are the total, aggregate amounts that the Customer will be eligible to receive across the five regions identified in Section 25.16.2(B) of this Contract Offer.

(2) The Customer will be eligible for the following MARC adjustments in Table G for each measurement that is not achieved by the Telephone Company at each Anniversary Date. However, if the Customer exercises the MARC adjustment option specified in Section 25.16.4, the MARC adjustments in Table G will not apply in the year that the MARC adjustment option is exercised and for the remaining years of the contract. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.5 Discounts and Other Credits (Cont'd)

(F) SLA Performance Penalties (Cont'd)

(2) (Cont'd)

Table G

Service Quality Measure	**Year in which Adjustment Applies**	**MARC Adjustment**
% Network Availability (DS1-OCN)	2	Decrease ½ %
MTTR (DS1 only)	2	Decrease ½ %
MTTR (DS3 & OCN)	2	Decrease ½ %
On Time Delivery – Due Date (DS1-OCN)	2	Decrease ½ %
% Network Availability (DS1-OCN)	3, 4 or 5	Decrease 1%
MTTR (DS1 only)	3, 4, or 5	Decrease 1%
MTTR (DS3 & OCN)	3, 4, or 5	Decrease 1%
On Time Delivery – Due Date (DS1-OCN)	3, 4, or 5	Decrease 1%

Example:

The percent decrease will be applied to the recalculated annual MARC. For example, the Customer's Year 4 MARC is set for $33M [(previous 3 months billing at end of year 3) X 4]. The Telephone Company achieved 1 out of the 4 measurements in Year 3. The Year 4 MARC is then recalculated and set at $32.01M ($33M X 97%).

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont’d)

25.16 Contract Offer No. 16 – Special Access Service Offer (Cont’d)

25.16.6 Assignment and Transfer

Subject to the provisions set forth in section 25.16.7 regarding mergers and acquisitions, if the Customer wishes to assign or transfer its use of services under this Contract Offer No. 16, pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, unless: (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

25.16.7 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 16 shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(A) (Cont'd)

the other company involved in the merger or acquisition also purchases Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 25.16.4 (A) or calculations to achieve the MARC discussed in Section 25.16.4 (B) or in the calculation of the Access Service Ratio discussed in Section 25.16.3(E), except as permitted by one of the provisions in this subsection.

(1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 25.16.2 and 25.16.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have four options (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. Customer may elect only one of those options with respect to any particular merger or acquisition. If the Customer does not exercise any of those options in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the Calculation of the MARC or Calculations to Achieve the MARC discussed in Section 25.16.4 (A) & (B), nor will such revenues be eligible for any discounts provided under this Contract Offer, nor will Telephone Company apply existing or future Special Access or Wholesale Service revenues from the other company or companies in calculating the Access Service Ratio in Section 25.16.3(E).

(N)

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

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

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

(A) (Cont'd)

(4) The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(5) If the Customer has selected, but not yet fully implemented, one of the options provided herein, the MARC, and any MARC adjustment calculation, as provided in Section 25.16.4, will apply only to the Customer's original (pre-merger or acquisition) MARC, and will not include revenue from the other company involved in the merger or acquisition.

(6) The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

(7) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer selects one of the provisions in this subsection in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 25.16.5 (A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented one of the provisions in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 25.16.5(A)(2), for recurring annual revenue above the new combined MARC. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(B) Mergers and Acquisitions Affecting Access Service Ratio

(1) If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company and inclusion of the recurring revenue from Contributory Services from the other company or companies involved in the merger or acquisition into this Contract Offer will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 25.16.3 (E), the Customer must select from Option 1 or 2 of this Section 25.16.7(B), below, to incorporate any recurring annual revenues from the other company involved in the merger or acquisition into this Contract Offer.

(2) The Customer must fully conform to Access Service Ratio within 18 months of the Transaction Close Date and must comply with the Access Conversion Schedule provided in Table H. As long as the Customer is in compliance with the Access Conversion Schedule and the Customer's existing revenue complies with the Access Services Ratio, as provided in Section 25.16.3(E), MARC discounts will continue to apply and the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 25.16.3(E).

(3) If, at any time, the Customer does not comply with the Access Conversion Schedule provided in Table H below, MARC discounts will be withheld and the Telephone Company will notify the Customer of non-compliance. The Customer will then have 60 days to comply with the Access Conversion Schedule. If the Customer does not comply within 60 days, this Contract Offer shall be deemed to be in default, and the Telephone Company shall have the right to terminate this

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

Contract Offer. Upon such termination, termination liability charges will apply as provided in Section 25.16.9. Notwithstanding the foregoing, if Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply, the Customer shall not be considered out of compliance with the Access Services Ratio Terms and Conditions as defined in Section 25.16.3(E), and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply.

Table H outlines the Unbundled Network Element (UNE) to Access conversion schedule that will be used to migrate the services.

Table H: Access Conversion Schedule

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

(a) Option 1

(i) The Customer shall establish a temporary combined MARC by adding to the Customer's then current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition, for a period not to exceed 18 months from the Transaction Close Date. Recurring annual revenue for Contributory

(N)

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

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

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

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(3) (Cont'd)

(a) Option 1 (Cont'd)

Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(ii) The Customer must exercise this option within 60 days following the Transaction Close Date.

(iii) This option is not available in Year 5 of the Term Period.

(iv) A permanent combined MARC will be established no later than 18 months following the Transaction Close Date using the following calculation, based on a calculation of the Customer's combined recurring annual revenue.

(a) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 25.16.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd

(3) (Cont'd)

(a) Option 1 (Cont'd)

(iv) (Cont'd)

(a) (Cont'd)

Contract Offer shall be applied to the combined company in the same manner as would otherwise apply under this Contract Offer.

(b) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 25.16.7(C)(1)(a).

(b) Option 2

(i) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(ii) The Customer must exercise this option within 60 days following the Transaction Close Date.

(iii) This option is not available in Year 5 of the Term Period.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(C) Mergers and Acquisitions not Affecting Access Service Ratio

If the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company, and inclusion of recurring revenue from Subject Services from the other company or companies involved in the merger or acquisition into this Contract Offer will not cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 25.16.3 (E), the Customer must select from Option 3 or 4 of this Section 25.16.7(C) to incorporate into this Contract Offer any recurring annual revenues from the other company involved in the merger or acquisition.

(1) Option 3

(a) The Customer must establish a temporary combined MARC by adding at least 85%, but no more than 100% (at Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition, for a period not to exceed 12 months from the Transaction Close Date. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

(b) The Customer must exercise this option within 60 days following the acquisition Transaction Close Date.

(c) This option is not available during Year 5 of the Term Period.

(e) A permanent combined MARC will be established no later than 12 months following the Transaction Close Date, based on a calculation of the Customer's combined recurring annual revenue.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(1) Option 3 (Cont'd)

(e) (Cont'd)

(i) The calculation of the Customer's combined annual recurring revenue shall include all Contributory Services for the combined company resulting from the merger or acquisition. The calculation of the Customer's combined permanent MARC shall be performed in the same manner as the annual MARC calculations provided in Section 25.16.4(A), above. Following the calculation of the combined permanent MARC, the MARC shall be recalculated for each year remaining in the Term Period, and the MARC-related terms and conditions of this Contract Offer shall be applied to the combined company in the same manner as would otherwise apply under this Contract Offer.

(ii) Notwithstanding anything to the contrary in this Contract Offer, the permanent combined MARC must be at least 85% of temporary combined MARC as defined in Section 25.16.7(C)(1)(a).

(2) Option 4

(a) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual calculation of the MARC under this Contract Offer.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

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

(C) Mergers and Acquisitions not Affecting Access Service Ratio (Cont'd)

(2) Option 4 (Cont'd)

(b) The Customer must exercise this option within 60 days following the Transaction Close Date.

(c) This option is not available in Year 5 of the Term Period.

25.16.8 Merger or Acquisition Involving the Telephone Company

In the event that the Telephone Company, or the corporate parent of the Telephone Company, or any affiliate of the Telephone Company or its corporate parent, in whole or in part, merges with, acquires, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition), and the Customer purchases special access services from the other company, then the following terms and conditions will apply:

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.8 Merger or Acquisition Involving the Telephone Company (Cont'd)

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 25.16.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above.

25.16.9 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in Southern New England Telephone Company Tariff F.C.C. No. 39, Sections 7, 20, 23 and 28. If the Customer terminates Contract Offer No. 16 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 25.16.2, or fails to meet any of the Terms and Conditions in Section 25.16.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.9 Termination Liability (Cont'd)

(A) Termination Liability Charges (Cont'd)

No. 16, and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 39, Sections 7, 20, 23 and 28.

The Customer's termination liability charge shall be equal to the following:

If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 16 for the preceding six (6) months immediately prior to the date of termination plus the following schedule:

(1) If terminated in Year 1, 10.0% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.

(2) If terminated in Year 2 , 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.

(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.

(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5.

(5) If terminated in Year 5, 10.0% of the Year 5 MARC for the remaining portion of Year 5.

(B) New Technology Termination

If the Customer wishes to move its services to new alternative technology (such as Broadband over power lines, Wi-MAX, DWDM, or optical switching technologies), the Customer shall qualify to reduce the MARC termination liability charges as detailed above by 50% in year 4 and/or 5 of this Contract Offer as long as the conditions in this subsection are met.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.9 Termination Liability (Cont'd)

(B) New Technology Termination (Cont'd)

The Customer shall have the right to move its services to new alternative technology and receive reduced termination liability as long as Eligibility Criteria in Section 25.16.2 and all Terms and Conditions in Section 25.16.3 are met. The Customer must provide documentation that reasonably demonstrates that the new technology is an alternative to existing Subject Services and that the rates, terms and conditions for the new technology are more favorable to the Customer than the rates, terms and conditions provided under this Contract Offering.

For example, if the Customer wishes to terminate this Contract Offer due to a new technology in Year 4 of the Contract Offer, the termination liability charge would be equal to 100% of discounts applied during the previous six-months as well as 6.25% of the Year 4 MARC for the remaining portion of Year 4, plus 6.25% of the Year 4 MARC for Year 5.

The Customer must notify the Telephone Company in writing at least 90 days prior to the start of Year 4 if the Customer wishes to terminate in Year 4 and invoke this provision, or at least 90 days prior to the start of Year 5 if the Customer wishes to terminate in Year 5 and invoke this provision. This notification must include the date upon which the Customer will terminate the Contract Offer. Additionally, this provision is only available to the Customer if it has not exercised the 10% MARC adjustment option as detailed in Section 25.16.4 (C).

(C) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

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

25.16.9 Termination Liability (Cont'd)

(C) New Special Access Service Offerings

under this Contract Offer, provided, however, that the Customer's Contract Offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(D) This Section 25.16.9 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 16, except for charges due and payable for Contributory Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 25.16.9.

(N)

(N)

25. Pricing Flexibility Contract Offerings

25.17 Contract Offer No.17 – Dedicated SONET Ring Service Offer

25.17.1 General Description

Dedicated Ring Service Offer (Contract Offer No. 17) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.17.5 for the purchase of one (1) new OC-12 Dedicated Ring Service.

25.17.2 Subject Services Available under Contract Offer No. 17

Contract Offer No. 17 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following Tariff Sections:

- Dedicated SONET Ring Service, FCC 39, Section 20

25.17.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive Contract Offer No. 17:

(1) Service must be located in Pricing Flexibility MSAs: New Haven and Hartford, CT.

(2) The Customer must purchase one (1) new OC-12 Dedicated Ring Service.

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

25.17.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) is three (3) years, commencing on the date the service order is completed. Billing for Contract Offer No. 17 commences no later than 30 days after the Telephone Company's completion of the access service order, with the billing begin date to be the same as the service order completion date. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in SNET Tariff F.C.C. No. 39 Section 20 for OC-12 Dedicated Ring Service.

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the SNET Tariff F.C.C. No. 39, Section 24, services under Contract Offer No. 17 will be

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.17 Contract Offer No.17 – Dedicated SONET Ring Service Offer (Cont'd)

25.17.4 Terms and Conditions (Cont'd)

(A) Term Period (Cont'd)

converted to the monthly extension rates as described in Section 24.5, as applicable. Rate stability under Contract Offer No. 17 applies only to the rates specific to this Contract Offer as outlined in Table A in Section 25.17.5. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of SNET F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 8-Testing, Maintenance, and Additional Labor Services, as applicable. Such Terms and Conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in Contract Offer No 17.

(B) Contract Offer No. 17 is only available June 4, 2005, through July 4, 2005;

(C) Contract Offer No. 17 discounted rates, as described in Section 25.17.5, must be for new installations only;

(D) In order to subscribe to Contract Offer No. 17, the Customer must submit a Letter of Subscription to the Telephone Company;

(E) If the Customer should discontinue service under Contract Offer No. 17 during the Term Period, termination liability charges will apply in accordance with Section 25.17.6;

(F) The Customer must subscribe to the services available under this Contract Offer No. 17 in accordance with the regulations set forth in Section 5 – Ordering Regulations;

(G) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Term Period, the Customer cancels the LOS cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(H) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 17, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 8 which include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.17 Contract Offer No.17 – Dedicated SONET Ring Service Offer (Cont'd)

25.17.4 Terms and Conditions (Cont'd)

(I) The Customer will not be able to subscribe to any other contract offering in Section 25 in conjunction with Contract Offer No. 17 that might be offered by the Telephone Company for services covered under this Contract Offer 17.

25.17.5 Rates and Charges

The Customer must pay the following Monthly Recurring Charges (MRC) and Non-Recurring Charges (NRC) in Table A:

Table A

Rate Element	**USOC**	**Qty**	**Unit Rate**	**MRC**	**NRC**
Customer Prem Node – 1st	SEFBV	1	3080.00	3080.00	
Central Office Node	SEFBX	2	2095.00	4190.00	
DS1 Port at OC-12 Node	SEFCD	60	45.00	2700.00	
Mileage – OC12	SEFCJ	13	220.00	2860.00	
Design & C.O. Connection		1			600.00
Administrative Chg per order		1			60.00
Cost Recovery Chg					24,689.79
Total MRC and NRC				12,830.00	25,349.79

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.17 Contract Offer No.17 – Dedicated SONET Ring Service Offer (Cont'd)

25.17.6 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 23.2 (I). If the Customer terminates Contract Offer No. 17 before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 23.2 (I). The Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's three (3) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after two (2) years and has twelve (12) months remaining in a three (3) year term plan. The termination liability would be calculated as:

$20,000 X 12 X 50% = $120,000 termination liability charge.

(N)

(N)

25. Pricing Flexibility Contract Offerings

25.18 Contract Offering No. 18 – 2005 Access Extension Offer

25.18.1 General Description (N)

(Nx)

Contract Offer No. 18 – 2005 Access Extension Offer is an access discount plan for which subscription is required to the following access tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Southwestern Bell Telephone Company Tariff F.C.C. No. 73, Nevada Bell Telephone Company Tariff F.C.C. No. 1, The Southern New England Telephone Company Tariff F.C.C. No. 39, and Pacific Bell Telephone Company Tariff F.C.C. No. 1 (Ameritech, Southwestern Bell Telephone Company, Nevada Bell Telephone Company, The Southern New England Telephone Company, and Pacific Bell Telephone Company shall be identified herein as the Qualified Companies). To be eligible for discounts under this Contract Offer, the Customer must meet the Eligibility Criteria set forth in Section 25.18.2 and also must comply with all terms and conditions of this Contract Offer. (Nx)

(N)

Contract Offer No. 18 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 25.18.6 following. The TRC shall include all Contributory Services purchased from the Qualified Companies eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 25.18.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.18.5, Table 4, herein. Contributory Non-Subject Services shall not be eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described in Section 25.18.5 must be purchased through the SBC wholesale sales channel (SBC Industry Markets).

(N)

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

25. Pricing Flexibility Contract Offerings (N)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer

25.18.2 Eligibility Criteria

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

(A) Managed Value Plan (MVP) Subscription (Nx)

(1) At the time of subscription to this Contract Offer, the Customer must have MVP agreements pursuant to

(a)SWBT Tariff F.C.C No. 73, Section 38; and
(b)Ameritech Tariff F.C.C. No. 2, Section 19; and
(c)Pacific Bell Tariff F.C.C. No. 1, Section 22. (Nx)

(2) The Customer must maintain eligibility under all MVP agreements until they expire.

(3) Such MVP agreements must all be expiring in 2005.

(B) Customer must have billed revenue from Contributory Services, as listed in Section 25.18.5, net of all discounts, credits, and adjustments equal to or greater than 86.6 percent of 2004 Gross Spend rounded to the nearest million times 7/12's as of August 1, 2005 or must buy up to that amount no later than 60 days after August 1, 2005 in order to qualify and remain qualified for Contract Offer No. 18. (N)

(C) Concurrent Subscription (Nx)

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 18 pursuant to the following tariffs:

(1) SWBT Tariff F.C.C No. 73, Section 41, Contract Offer No. 54;
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 73;
(3) Nevada Bell Tariff F.C.C. No. 1, Section 23, Contract Offer No. 4; and
(4) Pacific Bell Telephone Company Tariff F.C.C. No. 1, Section 33, Contract Offer No. 65. (Nx)

(D) Discounts applied under Contract Offer No. 18 are applicable for services located in MSAs as listed in Tariff F.C.C. No. 39, Section 24. (N) (N)

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

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.3 Terms and Conditions

(A) Term Period

The contract term (Term Period) will begin when the Customer submits a Letter of Subscription (LOS) and will end on December 31, 2005.

(B) Terms and Conditions

(1) The Customer must establish and maintain a TRC as described in Section 25.18.6 following.

(2) Two (2) true-up periods will occur during the Term Period of this Contract Offer:

(a) The first true-up will include all billing with respect to periods from the time of subscription to Contract Offer No. 18 up to and including the final MVP true-up, and will take place no later than 30 days after the expiration of the Customer's final MVP regional contract, as described in 25.18.7 (A).

(b) The final true-up will include all billing with respect to periods from the first day following the expiration of the Customer's final MVP contract, up to and including December 31, 2005, and will take place no later then 30 days thereafter, as described in 25.18.7(B).

(3) MVP credits will continue to apply, if applicable, until expiration of the MVP agreement. The MVP MATA process will take place as part of the first true-up described in Section 25.18.7 herein.

(4) Contract Offer No. 18 is only available for subscription from August 4, 2005 through September 3, 2005.

(5) Any transfer of services from non-SBC wholesale entities/Access Customer Name Abbreviation (ACNA) will require an equivalent increase in the TRC commitment based on the amount of revenue associated with the transferred services. The Customer's maximum Basic Credit Amount will not change as a result of the transfer.

(N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(6) Customer will be eligible to subscribe to contract offers in Section 25 (or any successor section) filed prior to (providing the subscription window is still open) or after Contract Offer No. 18, as long as such contract offers do not reduce the TRC under Contract Offer No. 18, and the Customer qualifies for and adheres to the terms, conditions and eligibility requirements of the contract offer. For any contract offer which states that subscribers under such contract offer are not eligible to combine such contract offer with other contract offers, the Customer will not be permitted to earn any Achievement Credits with respect to such purchases, except that for any contract offer that by its terms states that nonrecurring charges apply under such contract offer, the Customer will not be eligible to earn Basic or Achievement Credits associated with those nonrecurring charges.

(7) Terms and Conditions for Contributory Subject Services pursuant to other contract offers the Customer is currently subscribed to at the time of subscription to this Contract Offer shall continue to apply to those Contributory Subject Services covered under the other contract offers.

(8) Contributory Services continue to be governed by the respective terms and conditions (including MVP provisions with respect to services subject to MVP for so long as the Customer's MVP subscription remains in effect) as defined in Tariff F.C.C. No. 39, except as noted herein.

(9) The Customer must subscribe to the services available under this Contract Offer No. 18 in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service.

(10) The Customer must submit a completed Letter of Subscription (LOS) to the Qualified Companies as described in 25.18.3(A).

(N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(11) The Customer must maintain an Access Service Ratio equal to or greater than 95 percent. The Access Service Ratio is defined in Section 25.18.4 and will be measured monthly.

(12) The Customer must remit bill payments as described in F.C.C. 39 Section 2.8.2 for all Contributory Services via electronic payment process. The Qualified Companies will provide Customer with written notice if Customer fails to comply with the requirement. The Customer will have ten (10) business days from receipt of such written notice to comply. If the Customer does not comply, the Qualified Companies shall have the right to terminate this Contract Offer. In the event of termination by the Qualified Companies, termination liability charges as set forth in Section 25.18.11 will apply. Credits, if applicable, will not be issued until the Customer has paid all billed charges

(13) If the Customer discontinues service under Contract Offer No. 18 during the Term Period, termination liability charges will apply in accordance with Section 25.18.11. (N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.4 Access Service Ratio

(A) As referenced in Section 25.18.3, the Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater. The ratio, calculated monthly, is the Access Revenue divided by Access Revenue plus Wholesale Revenue. To maintain compliance with this Contract Offer, the ratio must be greater than or equal to 95 percent.

The 95-percent ratio is calculated as follows:

$$\frac{\text{Access Revenue}}{\text{Access Revenue + Wholesale Revenue}}$$

(1) Access Revenue is the Customer's and its affiliates' current interstate recurring billed revenue associated with the rate elements, as defined in Table 1 below, or comparable interstate access services, from all Qualified Companies:

Table 1:

Service	General/Basic Description
Voice Grade	7.9.1
Generic Digital Transport (DS0), High Capacity (DS1 and DS3) Services	7.15.1 & 7.16.1
Optical Carrier Network (OCN)	23.1
GigaMAN	7.2.13
Dedicated SONET Ring Service	20.1

(2) Wholesale Revenue is the Customer's and its affiliates' recurring billed revenue for associated rate elements, as defined in Table 2 herein, from all Qualified Companies not included in the interstate or intrastate access tariff(s). (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

Table 2

Service Level	Associated Rate Elements Not Included in Interstate Tariff
Voice Grade/DS0	**2-wire analog and 2-wire digital loops 2-wire analog and digital transport**
DS1	**4-wire digital loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 non-tariffed Committed Information Rate Broadband Services**
DS3	**DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 non-tariffed Committed Information Rate Broadband Services**
OC-3 OC-12 OC-48	**OC-3 Entrance Facilities OC-3 Interoffice Transport OC-3 Cross Connects OC-3 Multiplexing OC-12 Entrance Facility OC-12 Interoffice Transport OC-12 Cross Connects OC-12 Multiplexing OC-48 Entrance Facilities OC-48 Interoffice Transport OC-48 Cross Connects OC-48 Multiplexing All OCN equivalent non-tariffed Committed Information Rate Broadband Service**
Other Transport Products	**Dark Fiber – Interoffice Dark Fiber – Loop Dark Fiber – Subloop Dark Fiber Cross Connects Unbundled Dedicated Transport**

(3) As new rate elements are introduced to Table 1 in this section, all recurring revenues associated with the new rate elements will automatically be added to the Customer's Access Revenue, as defined in this section, for calculation of the Access Service Ratio. (N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(4) As new rate elements are introduced to Table 2 in Section 25.18.4(A)(2), all recurring revenues associated with the new rate elements will automatically be added to the Customer's Annual Wholesale Revenue, as defined in Section 25.18.4(A)(1)preceding, for calculation of the Access Service Ratio.

(5) If the Customer fails to meet the Access Service Ratio in any given month of the Term Period, upon notification from the Qualified Companies, the Customer will have ten (10) business days to notify the Qualified Companies in writing that it will meet or exceed the 95-percent Access Service ratio within 60 days. Failure to achieve compliance in 60 days will constitute a default and Qualified Companies shall have the right to terminate Contract Offer No. 18. In the event of a termination by Qualified Companies, termination liability charges will apply as set forth in Section 25.18.11 following.

Credits will not be issued until the Customer has met the 95 percent Access Service Ratio.

25.18.5 Contributory Services

The TRC shall include all Contributory Services purchased from the Qualified Companies eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 25.18.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 25.18.5, Table 4, herein.
Contributory Subject Services and Contributory Non-Subject Services shall together be known as Contributory Services. Customer's TRC includes revenue from all Contributory Services being provided by the Qualified Companies, as listed in Table 3 and 4 below.
Any new Special Access services added to the respective tariffs by Qualified Companies during the Term Period will qualify as Contributory Services and will be deemed to be added to the tables below.

(A) Contributory Subject Services
Contract Offer No. 18 applies to pricing flexibility qualified access services (referred to as Contributory Subject Services) located in pricing flexibility Metropolitan Statistical Areas (MSAs) as listed in Tariff F.C.C. No. 39, Section 24. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.5 Contributory Services (Cont'd)

(B) Contributory Non-Subject Services

Contributory Non-Subject Services (that are not Contributory Subject Services) shall not be eligible for discounts or other incentives provided under this Contract Offer and are listed in Table 4.

Table 3 – Contributory Subject Services

Contributory Subject Services	
Interstate Special Access	VG, DS0, DS1, DS3, OCN PTP, DSRS, SRAS, STN, FGTS, BCS, MON, Gigaman, DAL, Program Audio, Video
Interstate Switched Transport	Entrance Facility, Direct Transport
Includes Recurring and Non-Recurring Charges (including termination charges) associated with the products listed where applicable, except as described in Section 25.18.6 following, for all services located in Pricing Flexibility MSA's.	

Table 4 – Contributory Non-Subject Services

Contributory Non-Subject Services	
Interstate Special Access	VG, DS0, DS1, DS3, OCN PTP, DSRS, SRAS, STN, FGTS, BCS, MON, Gigaman, Opt-E-MAN, DAL, Program Audio, Video
Interstate Switched Transport	Entrance Facility, Direct Transport
Intrastate Special Access	Equivalent services as Interstate Special Access above if available
Includes all Recurring and Non-Recurring Charges (including termination charges) associated with the products listed where applicable, except as described in Section 25.18.6 following, for all non-price flex qualified services.	

All Terms and Conditions for all Contributory Services are governed by their respective tariff sections. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.6 Calculation of the Total Revenue Commitment (TRC)

The Customer must establish and maintain a Total Revenue Commitment (TRC) as provided in this Contract Offer. Upon subscription, the Customer TRC will be established based on billed revenue from Contributory Services, as listed in Section 25.18.5, net of all discounts, credits, and adjustments as specified in Section 25.18.6 (B)(1)(b) equal to 86.6 percent of 2004 Gross Spend rounded to the nearest million times 5/12's.

Example: Customer's 2004 Gross Spend equals $121.3M. 86.6% of 121.3M equals $105M (rounded to the nearest million). 5/12's of $105M equals $43.75 TRC.

$121.3M * 86.6% = $105M/12 = $8.75M * 5 = $43.75M

(A) Gross Spend, as defined in Section 25.18.6 (A)(1),(2),(3),(4),(5), and (6) is calculated by taking the sum of all of the purchases from the Qualified Companies, as described in Section 25.18.5 preceding, based on billed revenue. The Gross Spend is net of all discounts from existing optional payment plans or other tariffs or offers utilized by the Customer as of the date of subscription to this Contract Offer, any renewals, replacements or extensions of the foregoing, and any underlying tariff performance credits, but does not include discounts received under MVP (MARC or SLA credits).

(1) Interstate Special Access recurring charges billed to the Customer associated with services described in Section 25.18.5 Table 3 and 4 preceding.

(2) Interstate Special Access non-recurring charges billed to the Customer (including, but not limited to, items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) except as noted in 25.18.6(A)(6).

(3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 25.18.5 Table 4 preceding.

(4) Intrastate Special Access non-recurring charges billed to the Customer (including, but not limited to, items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) except as noted in 25.18.6(A)(6) below.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(A) (Cont'd)

(5) Interstate Switched Access Dedicated Transport recurring and non-recurring charges (including, but not limited to, items such as termination liability charges, expedite charges, cancellation charges, rearrangement charges, installation charges, and access order charges) billed to the Customer for rate elements in Table 5 below.

Table 5

Service	General Basic Description
Entrance Facilities	Section 6.2.1
Direct Trunk Transport	Section 6.2.1

(6) Non-recurring charges detailed in 25.18.6(A)(2),(4), and (5) above exclude Special Construction and unregulated time and materials charges (e.g. Inside Wire, Custom Work Orders, etc.)

(B) Application of Credits

The Customer is eligible to receive two (2) types of credits under this Contract Offer.

(1) Basic Credit

The Basic Credit is equal to the difference between the TRC and the purchase of Contributory Services up to 148.9 percent of the TRC (rounded to the nearest million). The Customer will receive Basic Credits on Contributory Subject Services.

(a) Calculation of the Basic Credit. To determine the amount of Basic Credit the Customer can achieve, the TRC is multiplied by 148.9 percent. This amount less the TRC will equal the potential eligible Basic Credit rounded to the nearest million. If qualified, award of Basic Credit under this Contract Offer shall satisfy the Qualified Companies' Basic Credit obligations. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(a) (Cont'd)

Example:

The Customer has 2004 Gross Spend of $121.3M. 86.6 percent of 2004 Gross Spend equals $105M rounded to the nearest million.

The TRC is equal to 5/12's of $105M.
5/12's of $105M equals $43.75M

The eligible total Basic Credit available is:

$43.75 * 148.9% = $65.14M
$65.14M - $43.75M = $21M eligible Basic Credits rounded to the nearest million.

(b) The following credits issued to the Customer associated with the Contributory Services covered under the TRC (MVP Commitment credits, MVP SLA credits, and credit received under the first true-up attributable to this Contract Offer) but not including any discounts or credits described in 25.18.6(B)(1)(c) below, will be used by the Qualified Companies to satisfy any applicable Basic and Achievement Credit obligations under this Contract Offer.

Example:

The Customer has TRC of $43.75M. The Customer achieves 148.9 percent of TRC equal to $65.14M. The Customer has received or is entitled to receive a total of $7M in MVP Commitment Credits and $2M in MVP SLA Credits for a total of $9M in credits unrelated to this Contract Offer.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(b) (Cont'd)

Table 6

2004 Gross Spend calculated as described above	86.6 percent of 2004 Gross Spend (rounded)	TRC = 5/12's of 86.6 percent 2004 Gross Spend	148.9 percent of TRC as described above (rounded)
$121.3M	$105M	$43.75M	$65.14M

Qualified Companies' Basic Credit obligations to the Customer in the amount of $21M ($65.14M - $43.75M, rounded to the nearest million) under Contract Offer No. 18, as described in Table 6, will be satisfied by the $9M in non-contract related credits acquired by the Customer under MVP and MVP SLA, and $12M in Basic Credits paid related to this Contract Offer. This amount will be determined at the final true-up period once all other credits have been applied accordingly.

(c) MVP Commitment credits applicable to periods prior to 2005, MVP SLA credits applicable to periods prior to 2005, or other credits applicable to periods prior to 2005, other discounts from optional payment plans or other tariffs or offers utilized by the Customer as of the date of subscription to this Contract Offer, any renewals, replacements, or extensions of the foregoing, and any underlying tariff performance credits (other than MVP SLA credits) will not be used to satisfy any applicable Basic or Achievement Credit Obligations under this Contract Offer.

The Customer will not pay less than the TRC for the Term Period, except as described in Section 25.18.8 following. If the Customer does not achieve the TRC through the purchase of Contributory Services as of December 31, 2005, the Customer will be required to pay the deficiency.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont’d)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont’d)

25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont’d)

(B) Application of Credits (Cont’d)

(1) Basic Credit (Cont’d)

(c) (Cont’d)

Basic Credits shall be calculated and awarded on an aggregate basis across the Qualified Companies. If qualified for a Basic Credit, an award of Basic Credit under this Contract Offer shall satisfy any Basic Credit obligations of the other Qualified Companies under the tariff offerings listed in Section 25.18.2(C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 18.

The total Basic Credit will be increased dollar for dollar to the extent that any amount by which Gross Spend during the Term Period exceeds 148.9 percent of the TRC is attributable to increases in tariff rates effective after March 31, 2005.

Example:

Customer’s Gross Spend increased $10M due to applicable tariff rate increases after March 31, 2005.

Customer exceeds 148.9% of TRC by $30M.

Of the $30M, $10M is added to Basic Credit
$20M would receive Achievement Credit equal 17%

(2) Achievement Credits

Achievement Credits are those credits the Customer will receive based on purchases of Contributory Subject Services above 148.9 percent of the TRC.

(a) Achievement Credits are applied to purchase of services as described in Section 25.18.5 in excess of 148.9 percent of the TRC. The amount of applicable credit will be determined based on the amount of Gross Spend above the TRC, as defined in Section 25.18.6 preceding, measured at the final true-up period described in Section 25.18.7 herein. The Customer will receive a discount on Contributory Subject Services equal to 17 percent of total revenue above 148.9 percent of the TRC. (N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(2) Achievement Credits

(a) (Cont'd)

Achievement Credits shall be calculated and awarded on an aggregate basis across the Qualified Companies. If qualified, award of Achievement Credit under this Contract Offer shall satisfy the Qualified Companies' Achievement Credit obligations.

Example:

The Customer has TRC of $43.75M. The Customer achieves 155 percent of TRC equal to $67.8M. The Customer will receive $21M in Basic Credits as described above, and the Customer will receive $452K in Achievement Credits calculated as follows:

($67.8M minus (TRC x 148.9%)) x 17%

$67.8M – $65.14M ($43.75M x 148.9%) = $2.66M
$2.66M x 17% = $452K (Achievement Credits).

Table 7

148.9% of TRC	$65.14M
Gross Spend Achievement during Term Period (GSA)	$67.8M
Difference between 148.9% of TRC and GSA	$2.66M
Credit due for billed revenue above 148.9% of TRC x 17%	$452K

The Customer receives $21M in Basic Credits plus $452K in Achievement Credits for total credits of $21.452M as described in Table 7.

(3) Transfer of Qualified Services

(a) Any transfer of services from non-SBC wholesale entities/ACNAs will require an equivalent increase in the TRC based on the amount of revenue associated with the transferred services. The Customer's maximum Basic Credit will not change as a result of the transfer. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(3) Transfer of Qualified Services

(a) (Cont'd)

Example: Customer has a TRC of $43.75M and is eligible to earn up to a maximum of $21M in Basic Credits. Customer transfers $10M of services from a non-SBC wholesale entity. The Customer's new TRC will be $53.75M ($43.75M plus $10M = $53.75M). The Customer's maximum Basic Credit($21M) will not change as a result of the transfer.

25.18.7 True-up Process

To determine TRC achievement, two true-up calculations will be performed as follows:

(A) First True Up - At the expiration of the final regional MVP agreement, the minimum required revenue will be based on the TRC proportionately divided between the months of 2005, in whole or in part, under MVP and the months of 2005 not under MVP plus 7/12's of 86.6 percent of 2004 Gross Spend as described in Section 25.18.2 preceding.

Example 1: MVP expires 8/31/05. The Customer must meet a minimum of 1/5 of $43.75M TRC which is equivalent to $8.75M plus 7/12's of 86.6 percent of 2004 Gross Spend as described in Section 25.18.2 preceding.

Example 2: MVP agreements expire 8/31/05 and 10/31/05. The Customer must meet a minimum of 3/5's of $43.75M TRC which is equivalent to $26.25M plus 7/12's of 86.6% of 2004 Gross Spend as described in Section 25.18.2 preceding.

If the Customer's purchase of Contributory Services, after all credits as described above, is greater than the minimum required revenue at time of true-up, the Customer will receive a Basic Credit equivalent to revenue above the minimum required revenue amount.

If the Customer's purchase of Contributory Services, after all credits as described above, is below the minimum required revenue at the time of true-up, the Customer will be billed the amount required to meet the minimum revenue amount and will pay such bill pursuant to Section 25.18.7(D). (N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.7 True-up Process (Cont'd)

(B) Final True Up - On December 31, 2005 calculation of final TRC achievement will be made to determine any eligible Basic or Achievement credits.

If the Customer's purchase of Contributory Services, after all credits as described above, is greater than the TRC required at time of true-up, the Customer will receive a Basic Credit against Contributory Subject Services equal to the amount above the TRC not to exceed the amount outlined in Section 25.18.6(B) preceding.

Example 3: The Customer's TRC is $43.75M.
The Customer's purchase of Contributory Services is $54M
The Customer will receive Basic Credit equal to $11.75M

If the Customer purchase of Contributory Services, after all credits as described above, is below the TRC at the time of the final true-up, the Customer will be billed the amount required to meet the TRC and will pay such charge pursuant to Section 25.18.7(D).

Example 4: The Customer's TRC is $43.75M.
The Customer's purchase of Contributory Services is $38.75M
The Customer must pay $5M.

If the Customer's purchase of Contributory Services, after all credits as described above, is greater than 148.9 percent of the TRC, the Customer will receive a Basic Credit against Contributory Subject Services equal to the difference between the TRC and 148.9 percent of TRC, and an Achievement Credit against Contributory Subject Services equal to a 17 percent discount on services above 148.9 percent of TRC.

Example 5: The Customer's TRC is $43.75M
The Customer's purchase of Contributory Services is $67.8M
The Customer receives $21M in Basic Credits and $452K in Achievement credits.

(C) If, at the time of final true-up, the Qualified Companies owe the Customer a Basic Credit amount as described above, the credit will be applied to the Customer's bill no later then 30 days after the final true-up date.

(D) If, at the time of true-up, the Customer must buy-up to meet the TRC as described above, payment must be submitted to the Qualified Companies no later than 30 days after the true-up date. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.8 Service Level Agreement (SLA)

The Qualified Companies will calculate the MVP SLA 1 performance measurement point value and the SLA 2 performance measurement as if it were applicable for the full 2005 calendar year. The Qualified Companies will calculate the MVP SLA 1 performance measurement point value and the SLA 2 performance measurement as if it were applicable for the full 2004 calendar year. No credits will be rendered with respect to 2005 based on these calculations, but if these calculations show that the Qualified Companies would have paid out a higher amount under the MVP SLAs in calendar year 2005 (if the Customer had been eligible to receive credits under the MVP SLAs through calendar year 2005) than what the Qualified Companies would have paid out under the MVP SLAs in calendar year 2004, the Qualified Companies will determine the difference between what the Qualified Companies paid out under MVP SLA in calendar year 2004 versus what the Customer would have been eligible to receive under MVP SLA if MVP extended through calendar year 2005. If the MVP SLA credit amount the Qualified Companies would have paid out for calendar year 2005 is greater than the MVP SLA credit amount paid out for calendar year 2004, then the MVP SLA credit amount the Customer received in calendar year 2004 will be subtracted from the amount of MVP SLA credit the Customer would have qualified for in calendar year 2005 and, if a positive number, the amount of any difference, less any impact based on an MVP MARC increase, will be deducted from the Customer's TRC.

Any credits due to the Customer resulting from any deduction to the TRC under this section will be determined and applied after the December 31, 2005 true-up process is finalized.

Example A: MVP calendar year 2005 effective SLA credit would be greater than MVP calendar year 2004 SLA credit.

The Customer MVP MARC = $30M (with MVP term agreement expiration August 31, 2005).

MVP calendar year 2004 total SLA credit = 1%.

$30M * 1% = $300K total SLA credit received by the Customer in calendar year 2004.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.8 Service Level Agreement (SLA) (Cont'd)

Example A: (Cont'd)

MVP calendar year 2005 effective SLA credit the Customer would have received if MVP extended through December 31, 2005 = 2%.

$30M * 2% = $600K total SLA credit the Customer would have received in calendar year 2005.

MVP calendar year 2005 effective SLA credit ($600K) minus MVP calendar year 2004 credit ($300K) = $300K.

The Customer qualifies for a $300K SLA credit to be applied to the Customer TRC.

$105M - $300K = $104.7M (new TRC).

Example B: MVP calendar year 2005 effective SLA credit is less than or equal to MVP calendar year 2004 SLA credit.

The Customer MVP MARC = $30M (with MVP term agreement expiration August 31, 2005).

MVP calendar year 2004 total SLA credit = 1%.

$30M * 1% = $300K total SLA credit received by the Customer in 2004.

MVP calendar year 2005 effective SLA credit the Customer would have received if MVP extended through December 31, 2005 = 1%.

$30M * 1% = $300K effective SLA credit the Customer would have received in 2005.

MVP plan year 2005 effective SLA credit ($300K) minus MVP plan year 2004 SLA credit ($300K) = $0.

The Customer does not qualify for any additional SLA credits toward its TRC.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.9 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 18 pursuant to F.C.C. No. 39, Section 2.5.5 of this Tariff, the Qualified Companies will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 2.5.5, unless:

(A) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (1) or (2) below, or

(B) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(2) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.10 Mergers and Acquisitions

The terms and conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases any services that are Contributory Services under this Contract Offer No. 18 from the Qualified Companies, the Contributory Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

The terms and conditions of Section 25.18.9 above do not apply when the merger or acquisition occurs in accordance with the provisions outlined in this section 25.18.10.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.11 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 39, Section 7. If the Customer terminates Contract Offer No. 18 before the expiration of the Term Period for any reason whatsoever, the Customer must pay the Qualified Companies termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification ninety (90) days prior to the desired date of termination to the Qualified Companies. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 25.18.2, or fails to meet any of the Terms and Conditions in Contract Offer No 18, then the Qualified Companies shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to return to compliance. If the Customer does not return to compliance within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 18 and termination liability charges will apply as stated below and will be payable within thirty (30) days from the time the contract is deemed terminated.

If the Customer terminates its subscription to this Contract Offer prior to September 30, 2005, the Customer must pay termination liability charges in an amount equivalent to a prorated portion of the TRC based upon the remaining months of the TRC as shown below:

(A) Example:

The Customer's TRC is $43.75M. The Customer terminates the contract on August 31, 2005. The Customer has 4 months remaining on the contract term and will owe $35M in termination liability

$43.75M/5 * 4 = $35M = in termination liability

If the Customer terminates its subscription to this Contract Offer after September 30, 2005, the Customer must pay termination liability charges in an amount equivalent to a prorated portion of the TRC commitment based upon the remaining months of 2005, as well as any credits received under this Contract Offer. (N)

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

25.18 Contract Offering No. 18 – 2005 Access Extension Offer (Cont'd)

25.18.11 Termination Liability Charges (Cont'd)

(B) Example:

The Customer's TRC is $43.75M. The Customer terminates the contract on October 31, 2005. The Customer has 2 months remaining on the contract term and has received $5M in the first true-up under this Contract Offer.

$43.75M/5 * 2 = $17.5M plus
$5M in first true-up.

$17.5M + $5M = $22.5M in termination liability.

(N)

(N)

25. Pricing Flexibility Contract Offerings

25.19 Contract Offer No.19 – Comprehensive Access Service Offer

25.19.1 General Description

Comprehensive Access Service Offer (Contract Offer No. 19) permits Customers located in Phase 1 Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSAs) to pay the discounted rates listed in Section 25.19.5 for the Subject Services as outlined in Section 25.19.2 below.

25.19.2 Subject Services Available under Contract Offer No. 19

Contract Offer No. 19 applies to pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following Tariff Sections:

(1) Dedicated SONET Ring Service, F.C.C. No. 39, Section 20 and Section 24;
(2) DS1 Service, F.C.C. No. 39, Section 7 and Section 24;
(3) DS3 Service, F.C.C. No. 39, Section 7 and Section 24;
(4) OCN Point to Point Service, F.C.C. No. 39, Section 23 and Section 24; and
(5) Collocation Transport Service, F.C.C. No. 39, Section 18 and Section 24

25.19.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to subscribe to Contract Offer No. 19:

(1) Service must be located in Pricing Flexibility MSAs:
Bridgeport-Stamford-Norwalk-Danbury, CT;
Hartford, CT;
New Haven-West Haven-Waterbury-Meriden, CT;
New London – Norwich, CT.

(2) Customer must have at least $1.3M total monthly billing for Access Services with The Southern New England Telephone Company. This is not a Minimum Monthly Revenue Commitment.

(3) Any non channelized DS3, OCN OC-3 or OCN OC-12 circuit that terminates at an End User Premise is not eligible for inclusion in this Contract Offer No. 19.

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

(N)

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

25.19 Contract Offer No. 19 – Comprehensive Access Service Offer Cont'd)

25.19.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be five (5) years, commencing on the date the Customer's Letter of Subscription is received by the Telephone Company. Billing for Contract Offer No. 19 shall commence upon completion of the Customer's access service order, but no later than 30 days after the Telephone Company's receipt of the Letter of Subscription. This offer is not renewable.

The Customer will, upon the expiration of this Contract Offer No. 19, have the option to extend the terms and conditions of this offer for one (1) term period of two (2) years (Extension Period). The Customer must notify the Telephone Company of its intention to extend the terms of this Contract Offer No. 19 no less than 30 days prior to expiration of the original term.

At the expiration of the Term Period or Extension Period, the Customer may choose from the payment options as described in SNET Tariff F.C.C. No. 39 outlined in the respective section governing each Subject Service.

If, at the expiration of the Term Period or Extension Period, the Customer elects to continue service and does not select a payment option or extension as described in the SNET Tariff F.C.C. No. 39, Section 24, services under Contract Offer No. 19 will be billed at the prevailing monthly extension rate as outlined in the respective Section governing each Subject Service.

Rate stability under Contract Offer No. 19 applies only to the rates specific to this Contract Offer as outlined in Table 1 in Section 25.19.5. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of SNET Tariff F.C.C. No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 8- Testing, Maintenance, and Additional Labor Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in Contract Offer No 19.

(B) Contract Offer No. 19 is available for subscription only from August 9, 2005, through September 9, 2005;

(C) In order to subscribe to Contract Offer No. 19, the Customer must submit a Letter of Subscription to the Telephone Company;

(N)

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

25.19 Contract Offer No. 19 – Comprehensive Access Service Offer Cont'd)

25.19.4 Terms and Conditions (Cont'd)

(D) If the Customer should discontinue service under Contract Offer No. 19 during the Term Period, termination liability charges will apply in accordance with Section 25.19.9;

(E) The Customer must subscribe to the services available under this Contract Offer No. 19 in accordance with the regulations set forth in Section 5 – Ordering Regulations;

(F) If, after the Telephone Company receives the Letter of Subscription (LOS) and prior to commencement of the Term Period, the Customer cancels the service request, cancellation charges will apply. The Customer must pay cancellation charges, which are the actual costs incurred by the Telephone Company up to the date of cancellation;

(G) If the Customer requests modifications to the network design originally constructed for the Customer under Contract Offer No. 19, the Customer must pay the Telephone Company time and material charges for each modification as described in Section 8, which include, but are not limited to, reconfiguration of existing ports, shelf rearrangement, node moves, ring design provisioning changes and customer premise rearrangements;

(H) The Customer may not include Subject Services that are provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer. This Contract Offer No. 19 will not preclude the Customer from subscribing to the Broadband Pricing Plan F.C.C. 39, Section 25.15. Upon Customer's subscription to this Contract Offer (and pending Customer's subscription to Contract Offer No. 15), the Telephone Company will convert Level I Subject Services provided under Contract Offer No. 15, Section 25.15.1, to Level II;

(I) The Customer must purchase a minimum of four (4) new OC-48 DSRS upon subscription to this Contract Offer. New OC-48 DSRS will be billed in OC-12 quad increments (per ring) as follows:

(1)1st OC12 initially upon agreement
(2)2nd OC12 by end of Term Year 2
(3)3rd OC12 by end of Term Year 4
(4)4th OC12 by end of Term Year 4;

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

(N)

25.19 Contract Offer No. 19 – Comprehensive Access Service Offer (Cont'd)

25.19.4 Terms and Conditions (Cont'd)

(J) At the Customer's option, throughout the Term Period,the Customer may purchase fiber from the Telephone Company to connect the Customer's existing floor space within a central office to a new collocation cage obtained by the Customer. The necessary fiber and labor charges will be billed at the prevailing rates at the time of request on an individual case basis. The Customer will also have the option to purchase Collocation Transport from the Telephone Company at the discounted rate as described in Section 25.19.5 Table 1. Collocation space must be purchased from F.C.C. Tariff No. 39, Expanded Interconnection, Sections 18 and 24.

25.19.5 Rates and Charges

(A) For the existing Subject Service circuits, the Customer will receive a discount of 19% off all rate elements for the eligible DS1, DS3, and OCN Subject Services. Existing circuits will be rated with the bundled USOC 1ZZPZ. Rates for Non-Channelized DS3, OC3 Point to Point, and OC12 Point to Point Subject Services eligible for the Broadband Pricing Plan will be covered in F.C.C. No. 39, Section 25.15.

(B) Purchase of new Subject Services DS1, DS3, Collocation Transport and Dedicated SONET Ring Services will receive the discounts listed in Table 1. Circuits will be considered new if they have a service establishment date equal to or greater than the effective date of this Contract Offer. New Subject Services DS1 and DS3 will be rated using the bundled rate USOC 1ZZPZ, until such time as the Telephone Company can bill on an individual USOC level (the Telephone Company will notify the Customer of the changed USOC once determined). Additional rate elements not included in Table 1 will be billed at prevailing tariff rates. Non-recurring charges (NRCs) will follow the underlying tariff rates for all Subject Services installed during the term of this Contract Offer based on the term plan chosen.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.19 Contract Offer No. 19 – Comprehensive Access Service Offer (Cont'd)

25.19.5 Rates and Charges (Cont'd)

Table 1

Subject Service Description	**USOC (to be zero rated and bundled rate 1ZZPZ to be used)**	**Rate**
High Capacity Special Access Service – DS1 Standard Channel Termination (per point of termination)	TZ4AX	Flat rate of $119.25 to be applied to all zones
High Capacity Special Access Service – DS3 3-1 MUX	QM3XX	Flat rate of $225.00 to be applied to all zones
High Capacity Special Access Service – DS3 Standard Channel Termination (per point of termination)	TZ4BX	Flat rate of $851.00 to be applied to all zones.
High Capacity Special Access Service – DS3	1YBBX Fixed	Flat rate of $225.00 to be applied to all zones.
Channel Mileage Fixed and Variable	1YBBX Variable	Flat rate of $17.50 per mile to be applied to all zones.
Dedicated SONET Ring Service (DSRS)OC-48		
Customer Premises – First	SEFCK	$3,300.50
Customer Premises – Addl	SEFCM	$2,933.00
Central Office	SEFCN	$2,933.00
OC-48 Add/Drop Capability	SEFCW	$2,026.50
DS3 Ports @ OC-48 Node	SEFCQ	$77.00
OC12 or OC12C ports	SEFCO	$252.00
Mileage between nodes	SEFCT	$154.00
Optical to electrical DS1 Add/Drop per OC3 to DS1	SEFCV	$490.00
Regenerator	SEFCU	$1,834.00
OC12 1+1 Protection (SMOA)	P8T	$280
Collocation Transport		
DS1 Fixed Mileage	1H48S	$39.20
DS1 Variable Mileage	1H48S	$9.60
DS3 Fixed Mileage	1H48S	$399.30
DS3 Variable Mileage	1H48S	$48.84
OC3 Point to Point Fixed	1H48S	$584.76
OC3 PTP Variable Mileage	1H48S	$145.20
OC12 Point to Point Fixed	1H48S	$1,485.00
Oc12 PTP Variable Mileage	1H48S	$145.20
OC48 Point to Point Fixed	1H48S	$2,970.00
OC48 PTP Variable Mileage	1H48S	$145.20
OC192 Point to Point Fixed	1H48S	$8,910.00
OC192 PTP Variable	1H48S	$145.20

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.19 Contract Offer No. 19 – Comprehensive Access Service Offer (Cont'd)

25.19.6 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 39, Section 19 of this Tariff, the Telephone Company will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 39, Section 19, unless:

(A) The proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (B) or (c) below, or if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

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

(C) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

25.19.7 Mergers/Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, the other company involved in the merger or acquisition may also purchase Subject Services from the Telephone Company. The Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.19 Contract Offer No.19 – Comprehensive Access Service Offer (Cont'd)

25.19.8 Termination Liability

The termination liability language contained below applies in lieu of termination liability language contained in Section 23.2 (I). If the Customer terminates Contract Offer No. 19 before the completion of the Term Period for any reason, the Customer must pay to the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the termination and are payable as described in Section 23.2 (I). The Customer's termination liability charges for termination of service shall be equal to:

50% of all monthly recurring charges for the balance of the Customer's five (5) year Term Period.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in billing) multiplied by (Termination liability percentage of 50%)

Example: Customer with a $20,000 monthly recurring charge terminates service after two (2) years and has thirty six (36) months remaining in a five (5) year term plan. The termination liability would be calculated as:

$20,000 X 36 X 50% = $360,000 termination liability charge.

(N)

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.1 General Description (N)
(Nx)

Special Access Service Offer (Contract Offer No. 20) is an access discount pricing plan for which subscription is required to the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No. 2, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT)Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39. Contract Offer No. 20 is available to any Customer with at least $12.0 million in cumulative annual recurring revenue for Contributory Services, as defined in Section 25.20.2(C) and 25.20.4(C). The Customer must meet the Eligibility Criteria set forth in Section 25.20.2 and also must comply with all terms and conditions of this Contract Offer.

Contract Offer No. 20 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 25.20.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services, as described in Section 25.20.2(C), herein, in addition to the following Contributory Non-Subject Services (that are not Contributory Subject Services): OPT-E-MAN, ATM, and Frame Relay services. Contributory Non-Subject Services are not eligible for discounts or other incentives provided under this Contract Offer. All Contributory Services described above must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any ATM and Frame Relay Contributory Services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the website established to make public any agreements for these services. Customers may reference https://www.sbcprimeaccess.com/shell.cfm?section=2501. (Nx)
(N)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 25.20.4(E). Notwithstanding the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of the terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 25.20.11, shall apply. Contract Offer No. 20 will only be available September 7, 2005 through October 7, 2005. (N)

(x)Issued under Authority of Special Permission No. 05-041 of F.C.C.

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.1 General Description (Cont'd)

In the event the Customer does not meet its MARC as of each Anniversary Date of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 25.20.4(E). In addition to the obligation to pay such shortfall payment, if the Customer does not comply with all terms and conditions of this Contract Offer (exclusive of terms and conditions of non-tariffed agreements referenced herein), termination liability charges, in accordance with Section 25.20.9, shall apply. Contract Offer No. 20 will be available for subscription from September 7, 2005 through October 7, 2005.

25.20.2 Eligibility Criteria

(A) The Customer must meet the following Eligibility Criteria to subscribe to Contract Offer No. 20, and must continue to meet the Eligibility Criteria as described below throughout the Term Period of this Contract Offer:

(1) Contract Offer No. 20 is available for services located in the following pricing flexibility Metropolitan Statistical Areas (MSAs): Harford, Bridgeport, New Haven and New London, CT

If the Telephone Company receives pricing flexibility relief in additional MSAs, any eligible Subject Services that the Telephone Company provides to the Customer pursuant to this Contract Offer available in those additional MSAs may, at the Customer's option, be included in this Contract Offer, beginning with the first year after the Telephone Company receives pricing flexibility in those additional MSAs; provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 25.20.4; (N)

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.2 Eligibility Criteria (Cont'd) (N)

(A) (Cont'd) (Nx)

(2) The Customer's first year MARC shall be $12.0 million in cumulative annual recurring revenue for Contributory Services in the following SBC Companies: Ameritech, PBTC, SWBT, and SNET. Other Contributory Services may be provided by other SBC companies;

(B) Concurrent Subscription

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 20, pursuant to the following tariffs:

(1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 79;
(2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No .70, and
(3) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 58.

(Nx)

(x)Issued under Authority of Special Permission No. 05-041 of F.C.C.

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.2 Eligibility Criteria (Cont'd)

(C) Contributory Subject Services

Contract Offer No. 20 applies to pricing-flexibility-qualified access services (hereafter referred to as Contributory Subject Services) contained in the following tariff sections:

Service	**General Basic Description**	**Rates & Charges Phase I**	**Rates & Charges Phase II**
Special Access			
High Capacity Service	7.16.1	7.16.4	24.5.2.6
Optical Carrier Network (OCN) Point-to-Point Service	23.1	23.3	24.5.2.9
OC-3, OC-12, OC-48 and OC-192 Dedicated Ring Service	20.1	20.3	24.5.2.7
Gigabit Ethernet Metropolitan Area Network (GigaMAN)	7.17.1	7.17.11	24.5.2.10
Multi-service Optical Network (MON) Ring Service	28.1	28.3	24.5
Voice Grade Service	7.9.1	7.9.4	24.5.2.1
Switched Access Dedicated Transport Services	6	6.3	24.5

All Terms and Conditions for the Contributory Subject Services listed above are governed by their respective tariff sections except as noted herein. Annual recurring revenue generated from these services will be used in the MARC calculations defined in Section 25.20.4. If, during the Term Period of this Contract Offer, additional services become eligible for pricing flexibility, those additional services may, at the Customer's option, be included among the Contributory Subject Services eligible under this Contract Offer, beginning with the first year after the additional services become eligible for pricing flexibility, provided that the MARC increases to reflect the recurring annual revenues associated with the additional Contributory Subject Services, as described in Section 25.20.4. (N)

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.3 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) is five (5) years, commencing on the date the Customer executes a Letter of Subscription (LOS). The Anniversary Date shall be based on the date of the executed LOS. Contract Offer No. 20 is not renewable.

Contributory Subject Services to which the Customer already subscribes as of the commencement of the Term Period, or any additional Contributory Subject Services included in this Contract Offer after commencement of the Term Period in accordance with the terms and conditions set forth herein, must be converted to five (5) year term payment plans (where available), to receive discounts pursuant to this Contract Offer no later than August 1, 2006, except for those services whose conversion would cause the rates to increase over existing rates, those services would be exempt and remain at existing rates on the current term payment plan for those services . If a five (5) year term payment plan is not available for certain Contributory Subject Services, the Customer must select the longest term plan available for the Contributory Subject Service.

Services are subject to certain rates, charges, and general Terms and Conditions in other sections of F.C.C. Tariff No. 39, as set forth in Sections 2-General Regulations, 5-Ordering Regulations, and 8-Testing, Maintenance and Additional Labor Services. Such Terms and Conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(B) Contract Offer No. 20 is available for subscription only from September 7, 2005 through October 7, 2005.

(C) The Customer must submit a completed Letter of Subscription (LOS) to the Telephone Company.

(D) Commingling, as defined in F.C.C. No. 39, Section 2.13, of Subject Services under this Contract Offer is prohibited.

(E) The Customer must subscribe to this Contract Offer in accordance with the regulations set forth in SNET Tariff F.C.C. No. 39, Section 5 – Ordering Regulations. (N)

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.3 Terms and Conditions (Cont'd)

(F) The Customer may not subscribe to any future Contract Offerings in Section 25 in conjunction with this Contract Offer or that might be offered by the Telephone Company for Subject Services covered under this Contract Offer unless expressly permitted in the future Contract Offer.

(G) The Customer must pay billed charges in full throughout the Term Period of this Contract Offer, excluding amounts being disputed. The Telephone Company will exhaust its remedies under Section 2.8 of F.C.C. Tariff No. 39 before exercising any remedy under this section. The Telephone Company will provide the Customer written notice (via registered letter) of non-compliance. The Customer will have thirty (30) days from receipt of the written notice to comply, which may be extended by mutual agreement of the Parties to allow the Parties to attempt to resolve any disputes. During this thirty (30) day period or a period to be mutually agreed upon by the Parties, the Parties will cooperate in good faith to attempt to resolve any pending disputes. If, after the Parties have exhausted attempts to resolve any pending disputes or have resolved disputes and the Customer does not comply with the written notice of non-compliance, the Telephone Company shall have the right to terminate this Contract Offer. In the event of termination by the Telephone Company, termination liability charges as set forth in Section 25.20.11 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes). Any disputed billing amounts that have been resolved in favor of the Telephone Company are due and payable as described in Section 2.8.

(H) Customer must have achieved billing of Contributory Subject Service, Switched Access Transport that is no greater than $100,000 upon subscription to this Contract Offer.

(I) If the Telephone Company introduces a new Special Access or Switched Access service or an enhancement to an existing Special Access or Switched Access service, then such services shall be automatically included as Contributory Non Subject Services, and the Customer's purchase of such new or enhanced Contributory Non Subject Services shall be included in the calculation of the MARC, subject to the terms and conditions set forth in this Contract Offer.

(I) The Customer will continue to receive the benefit of rate stability for any Contributory Subject Services currently under a term plan with the Telephone Company that provides for rate stability.

25.20.4 Minimum Annual Revenue Commitment (MARC)

Contract Offer No. 20 requires the Customer to establish and maintain a Minimum Annual Revenue Commitment (MARC) for each year of the five (5) year Term Period, as defined in Section 25.20.4(A). The MARC shall include all Contributory Services purchased from the Telephone Company or its affiliates available under this Contract Offer. Contributory Services include Contributory Subject Services, as described in Section 25.20.2(C), herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services). (N)

(This page filed under Transmittal No. 890)

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(A) Establishing the MARC

(1) The Customer's Year 1 MARC will be established when the Telephone Company receives the LOS from the Customer. The Customer's MARC for Year 1 shall be $12.0 Million, or four times the Customer's monthly recurring revenue for Contributory Services during the three months immediately preceding the receipt of the signed LOS, whichever is greater.

Example 1: LOS is executed on August 1, 2005. The Year 1 MARC is established upon subscription at $12.0M. The Customer's actual revenue to Telephone Company from May 1, 2006 to July 31, 2006 is $4M. The new Year 2 MARC, effective August 1, 2006, is $16M ($4M multiplied by 4 equals $16M.)

(2) The MARC will be re-established, effective on each anniversary date, beginning on the first anniversary (Year 2 MARC). The MARC for Years 2, 3, 4, and 5 will be based on the Customer's actual monthly recurring revenue for all Contributory Services during the previous 3 months multiplied by 4, or the then-current MARC, whichever is greater.

Example 2: Term Period begins August 1, 2005. The MARC for Year 2 is $16.0M. The Customer's actual revenue to Telephone Company from May 1, 2007 to July 31, 2007 is $2.5M. The new Year 3 MARC, effective July 1, 2007, is $16.0M. (The $16.0M MARC is due to the fact that the MARC recalculation cannot result in a MARC lower than the current MARC.)

(B) Inclusion of Contributory Subject Services

(1) The following are the only billed revenues that can be included in the MARC:

(a) Monthly billed recurring revenues, including (that is, net) any credits or discounts given under existing pricing plans (e.g. Term Payment plans or Commitment Discount Plan) if applicable for the Subject Services provided during the Term Period; and

(b) Any credits and adjustments made to monthly billed amounts for Subject Services which are purchased by the Customer during the Term Period. (N)

25. Pricing Flexibility Contract Offerings (N)

25.20 Contract Offer No. 20 – Special Access Service Offer

25.20.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(B) Inclusion of Contributory Subject Services (Cont'd)

(1) (Cont'd)

(c) All other charges, other than those listed in Section 25.20.4(B)(1), are excluded.

Customer's existing Contributory Subject Services that are included in the MARC will be based on the rates that would apply to a five-year minimum term, regardless of whether the Contributory Subject Services were actually purchased pursuant to a five-year term at the time of subscription to this Contract Offer. (N)

(Nx)

(C) Inclusion of Additional Contributory Services

Not withstanding anything to the contrary herein, the Customer may, at its option, include in this Contract Offer any Contributory Services being provided to the Customer by the Telephone Company according to a tariff or contract other than this Contract Offer, provided, however, that the MARC must be increased to reflect the recurring annual revenues associated with the additional Contributory Services, as provided in Section 25.20.4. The Customer must provide written notice to the Telephone Company of its wish to exercise this option. If any additional Contributory Services are ATM or Frame Relay services, those additional Contributory Services shall be provided pursuant to an agreement and/or contract which shall be available for review at the following web site: https://www.sbcprimeaccess.com/shell.cfm?section=2501 (Nx)

(x)Issued under Authority of Special Permission No. 05-041 of F.C.C.

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

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) Inclusion of Additional Contributory Services (Cont'd)

Example Year 1 MARC = $12.0M. If during Year 1, Customer wishes to include $2M of annual spend currently purchased from the Telephone Company under another tariff or contract and if those services qualify as Contributory Services, the new Year 1 MARC is $14.0M.

(D) MARC Adjustments

The Customer may exercise the following adjustments to the MARC pursuant to the terms listed below:

(1) Option 1 - The Customer may, at its option, adjust the MARC downward by up to 10%. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date upon which the adjustment is to become effective.

(2) Option 2 - The Customer may carry over a shortfall of no more than 5% into the next contract year. This adjustment can be made only one time during the Term Period, at any time after the first 24 months of the Term Period (i.e., beginning with the establishment of the Year 3 MARC). To exercise this option, the Customer must notify the Telephone Company, in writing, at least 60 days prior to the Anniversary Date upon which the adjustment is to become effective. If the Customer opts to carry over a shortfall, the Customer's next year MARC will be increased to reflect that shortfall amount. If at the end of the subsequent contract year, the Customer does not meet its MARC, the Customer must make a shortfall payment sufficient to achieve that year's MARC or will be subject to termination liabilities as outlined in Section 25.20.4(E). This option cannot be combined with the MARC adjustment option as described in Section 25.20.4(D)(1)..

The MARC adjustment shall apply prospectively only. If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 25.20.9, reduced discounts will remain for the life of the Term Period, and discounts previously received during that contract year will not be re-rated, provided the Eligibility Criteria in Section 25.20.2 and Terms and Conditions in Section 25.20.3 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 25.20.5. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.4 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(E) Failure to Achieve the MARC

The Customer and the Telephone Company shall exchange information annually, and shall meet annually if necessary, to review the Customer's progress toward achieving the MARC for the term years. The Customer and the Telephone Company agree that they will meet in the ninth month of each term year to discuss and address, if necessary, compliance with the Terms and Conditions of the Contract Offer prior to the Anniversary Date. If the Customer fails to achieve the annual MARC Commitment as of the anniversary date, the Customer will be notified by the Telephone Company and will be required to remit an Annual True-up payment to reach the MARC commitment. The True-up calculation will be performed as follows:

Annual MARC – Actual Annual recurring revenues for Subject Services = Annual True-up Amount

If the Customer fails to submit its Annual True-Up payment to the Telephone Company within 30 days after notification from the Telephone Company, the Customer shall be deemed to have terminated its Contract Offer No. 20, and termination charges will apply as set forth in Section 25.20.11.

25.20.5 Discounts and Other Credits

(A) Discount Schedule and Application

On each anniversary date, the customer shall be eligible to receive the following Billing Credit, as set forth in Table A, subject to the Customer's compliance with all terms and conditions of this Contract Offer. Credits will be applied to the Customer's bill no later than 90 days after each Anniversary Date. Recurring revenue generated from Subject Services that were not included in this Contract Offer at the time of subscription are not eligible for discounts under this Contract Offer, unless and until those Contributory Subject Services have been added to this Contract Offer pursuant to Sections 25.20.2, 25.20.4, 25.20.9 and 25.20.10.

Table A

MARC Level	**Billing Credit**
$12,000,000	2.00%
$14,000,000	3.00%
$15,125,000	3.50%
$16,000,000	4.00%
$17,000,000	4.50%
$18,000,000	5.00%
$19,000,000	5.50%
$20,000,000	6.00%
$21,000,000	7.50%
$21,010,000	0%

MARC levels will be rounded up or down to the nearest $10,000.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.5 Discounts and Other Credits (Cont'd)

(A) Discount Schedule and Application (Cont'd)

Example: If the Customer meets the minimum MARC of $12,000,000 for sum of all Contributory Services and has Subject Services revenue of $9,584,000. The Customer will be eligible to receive a credit of $191,681.

$9,854,000 X 2% = $191,680

(B) First Year Credit

If at the end of the Year 1 of this Contract Offer, the Customer's MARC for Year 2 is $15.125M or higher, the Customer will receive an additional credit of 2.78 percent of Subject Services applied to the Customer's bill no later than 90 days after the anniversary date for Year 1.

Example: If the Customer reaches the MARC level of $15.125M at the end of year 1 for the sum of all Contributory Services and has Subject Services revenue of $11,230,000. The Customer will be eligible to receive a credit of $312,194.

$11,230,000 X 2.78% = $312,194

25.20.6 Incentives

(A) Purchase of New Contributory Subject Services

During the Contract Term period of subscription to this Contract Offer, the Telephone Company will calculate the billed revenue as described in Section 25.20.4 (B), of new eligible Subject Services towards meeting the MARC on the first contract anniversary date, the beginning of the second year of the Contract term period, and such revenue will be will be increased by 15 percent under this Contract Offer.

Example: Assume that the Customer's total monthly billed recurring revenues for new OC3/OC3c services during the first Contract Term Year Period was $1,000,000 ($1M). The Telephone Company will calculate the billed revenue for new Contributory Subject Services on the first Contract anniversary date for purchases made during such period and the Customer shall be deemed to have purchased $1,150,000 ($1.15M) in Contributory Subject Services. In subsequent years, these OC3 services would count as $1,000,000 ($1M) toward MARC calculations. The calculation to determine if the Customer met the MARC requirements will be:

(New Subject Services purchased during the first contract year multiplied by 1.15) + Existing Contributory Subject Services = Total value of Contributory Subject Services.

(N)

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

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.6 Incentives (Cont'd)

(A) Purchase of New Contributory Subject Services (Cont'd)

This total value of Contributory Subject Services will then determine if the Customer meets the MARC as described in Section 25.20.4 and/or has earned any incentive credits as described in Section 25.20. 5.

Purchase of the aforementioned new Subject Services in Year 2, 3, 4 and 5 of this Contract Offer will not receive the increased value towards meeting the MARC.

Example: Assume that the Customer's total monthly billed recurring revenues for new OC3/OC3c services during the second Contract Term Year Period was $1,000,000 ($1M). The Telephone Company will calculate the billed revenue for new Contributory Subject Services on the second contract anniversary date, the beginning of the third year of the Contract Term period, for purchases made during the second year and the Customer shall be deemed to have purchased $1,150,000 ($1.0M) in Contributory Subject Services toward MARC calculations. The calculation to determine if the Customer met the MARC requirements will be:

New Subject Services purchased multipled by 15 percent + Existing Contributory Subject Services (prior year one purchases plus existing subject services)= Total value of Contributory Subject Services.

The increase value of new eligible services shall be used only to determine attainment of the MARC, and not for any other purposes. If the Customer fails to meet the MARC requirements as stated in section 25.20.4 after such calculation as described above, the Customer will be subject to the true-up provision as stated in Section 25. 20.4 (E)

For purposes of this Contract Offer, a new SONET OC3/OC3c service must meet one of the following criteria:

(1) Newly ordered and provisioned during the first year of the Contract Term period by the customer under this Contract Offer; or

(2) Upgrade of an existing Special Access service during the first year of the Contract Period that was not previously a SONET OC3/OC3c service (e.g., upgrade of a DS1 or DS3 to a SONET OC3 service) under the provisions set forth in other sections of this tariff. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.6 Incentives (Cont'd)

(B) Conversion of DS1 or DS3 capacity loops:

For customers who subscribe to this Contract Tariff No. 20 and convert their DS1 or DS3 capacity loops, dedicated transport, or Expanded Extended Loops (**EELs**) provided by the Telephone Company as unbundled network elements (**UNEs**) to Special Access Service, the Telephone Company will multiply the customer's billed revenue associated with such converted UNEs by 1.50 in the year of conversion towards the attainment of the MARC. The converted services in subsequent years will not receive the billed revenue multiplier towards the attainment of the MARC. This multiplier shall be used only to determine the billed revenue for Qualifying Services for purposes of MARC attainment, and not for any other purpose. The Customer shall provide a detailed list of circuits that have been converted to the Telephone Company within 30 days after the contract anniversary year for verification.

For example, if the customer converts $1,000,000 ($1M) in UNEs to Special Access Services during the first Annual Contract Term Period of this Contract Tariff No. 20, then, in calculating billed revenue for Qualifying Services, the customer shall be deemed to have purchased $1,500,000 ($1.50M) in Special Access DS1 Services for purposes of calculating the billed revenue for Qualifying Services for meeting the MARC as described in section 25.20.4. In subsequent years, the converted UNE services would count as $1,000,000 ($1M) towards MARC calculations.

25.20.7 Non-Recurring Charges

The Telephone Company will waive installation non-recurring charges (NRCs) associated with the conversion of Contributory Subject Services pursuant to this Contract Offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In addition, the Telephone Company will waive Non-recurring charges (NRCs) associated with the conversion of existing UNE circuits which are converted to Special Access Services under the terms of this contract tariff offer. In the event that the installation NRCs are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis.

To receive credits for installation NRCs, the Customer must be in compliance with all terms and conditions of this Contract Offer. Additionally, if the Customer fails to meet the MARC on an Anniversary Date pursuant to Section 25.20.4 (A) and/or fails to pay the Annual True-Up as defined in Section 25.20.4 (E), termination liability charges will apply as set forth in Section 25.20.11.

The Customer must pay all other applicable non-recurring charges, including, but not limited to, rearrangement charges, special construction charges, access order charges, cancellation charges and Access Order Modification charges as described in SNET F.C.C. No. 39, Section 5.4 for Subject Services pursuant to this Contract Offer.

(N)

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

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont')

25.20.8 Portability

The Telephone Company will waive termination liability charges for moves and/or disconnection of Contributory Subject Services. In the event that termination liability charges for any such moves and/or disconnections are billed by the Telephone Company, the Customer will receive credits for these charges on a quarterly basis. In order to receive credits or a waiver of termination liability charges for such moves and/or disconnects, the following conditions must be met:

(1) The Customer must be in compliance with all terms and conditions of this Contract Offer.
(2) The Customer shall be permitted to move and/or disconnect Contributory Subject Services from any of the identical Contract Offers, as described in Section 25.20.2 (B).
(3) DS1 Services must have been in service for a minimum of one (1) month from the original installation date.
(4) DS3, OC-3 and OC-12 Point to Point Services must have been in service for a minimum of one (1) year from the original installation date.
(5) OC48 Point To Point, OC192 Point to Point and GigaMAN Services must have been in service for a minimum of three (3) years from the original installation date.

If, and to the extent that OPT-E-MAN becomes eligible for pricing flexibility, OPT-E-MAN may, at the Customer's option, become a Contributory Subject Service included in this Contract Offer. If so, such OPT-E-MAN service shall be eligible for portability provided that, for each OPT-E-MAN circuit to be ported:

(a) facilities necessary to provide OPT-E-MAN, as specified in F.C.C. No. 39, Section 27, exist at the end user location in which the circuit is being moved; and
(b) the circuit has been in service for a minimum of one (1) year from the original installation date.

25.20.9 Mergers and Acquisitions Involving the Customer

(A) The Terms and Conditions of Contract Offer No. 20 shall continue in full force and effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or certain assets to any other entity, or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). During or after the merger or acquisition, if the other company involved in the merger or acquisition also purchases Contributory Services from the Telephone Company, either directly or through any affiliates, then billed, recurring revenue for Contributory Services of the other company involved in the merger or acquisition will not be used in calculations of the MARC as discussed in Section 25.20.4. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.9 Mergers and Acquisitions Involving the Customer

(A) (Cont'd)

(1) The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 25.20.2 and 25.20.3 in order to exercise the provisions under this subsection.

(2) Recurring revenue from Contributory Services from the other entity involved in the merger or acquisition cannot be applied to, or eligible for, any incentives or discounts contained in this Contract Offer, except as expressly permitted by one of the provisions herein.

(3) The Customer shall have an option (per merger or acquisition) to incorporate revenue from the other company or companies involved in the merger or acquisition. If the Customer does not exercise this option in the manner provided herein, the Customer will not be permitted to use existing or future Special Access revenues from the other company or companies involved in the merger or acquisition in the calculation of the MARC Section 25.20.4, nor will such revenues be eligible for any discounts provided under this Contract Offer.

(4) The acquisition and/or merger Transaction Close Date will be used to measure the length of time the following provisions are available. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(5) If the Customer has selected, but not yet fully implemented, the option provided herein, the MARC, and any MARC adjustment calculation as provided in Section 25.20.4, will apply only to the Customer's original (pre-merger or acquisition) MARC and will not include revenue from the other company involved in the merger or acquisition.

(6) The Customer cannot combine any of the Merger and Acquisition provisions in this subsection.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

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

(A) (Cont'd)

(7) The Telephone Company will calculate the actual recurring annual revenue of the other company involved in the merger or acquisition on the date the Customer elects the provisions in this subsection, in the same manner such revenue would be calculated for purposes of performing the annual recalculation of the MARC under this Contract Offer. Until the Customer has fully implemented one of the provisions in this subsection, the Customer will not be eligible to earn the above the MARC discounts discussed in Section 25.20.5 (A)(2) of this Contract Offer for revenue from the other company involved in the merger or acquisition. After the Customer has fully implemented the provision in this subsection, the Customer will be eligible for above the MARC discounts provided in Section 25.20.5(A)(2) for recurring annual revenue above the new combined MARC.

Notwithstanding the foregoing, if the Telephone Company is primarily responsible for a delay in the Access Conversion Schedule, MARC discounts will continue to apply and this Contract Offer will not be considered in default, provided, however, that each party shall exercise best efforts to comply.

(B) Option 1

(i) The Customer must establish a combined MARC by adding to the Customer's then-current MARC at least 85%, but not more than 100% (at the Customer's option), of all recurring annual revenue for Contributory Services from the other company involved in the merger or acquisition. Recurring annual revenue for Contributory Services shall be calculated in a manner consistent with the annual recalculation of the MARC under this Contract Offer.

(ii) The Customer must exercise this option within 60 days following the Transaction Close Date.

(iii) This option is not available in Year 5 of the Term Period.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.10 Merger or Acquisition Involving the Telephone Company

(A) If the Customer purchases any interstate special access services from the merged or acquired company, and such special access services are or become eligible for pricing flexibility, the Customer may include those special access services in this Contract Offer, subject to any terms or conditions of any contracts or tariffs pursuant to which the Customer is purchasing such special access services prior to the merger or acquisition, including any terms or conditions regarding termination liability. If the Customer chooses to include the services subject to the merger or acquisition in this Contract Offer, they shall become Contributory Subject Services within the meaning of this Contract Offer at the time they are included in this Contract Offer. At the time such Contributory Subject Services are included in this Contract Offer, the MARC shall be recalculated, including both the recurring annual revenues of the Contributory Services provided to the Customer prior to the merger or acquisition and the recurring annual revenues of the additional Contributory Subject Services previously provided by the merged or acquired Company.

(B) The Customer must notify the Telephone Company in writing, within 120 days of the Transaction Close Date, of any Contributory Services from the merged or acquired company that Customer wishes to include in this Contract Offer. Discounts and credits specified in Section 25.20.5 will not apply to services from the merged or acquired company until the MARC has been recalculated to reflect the additional Contributory Services included in this Contract Offer as a result of the merger or acquisition. The MARC recalculation to include these services will occur at the Customer's next Anniversary Date following receipt of the Customer's written notice described above.

(N)

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

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.11 Termination Liability

(A) Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language described in SNET Tariff F.C.C. No. 39, Section 7. If the Customer terminates Contract Offer No. 20 before the completion of the term for any reason whatsoever (other than a material default by the Telephone Company), the Customer must pay the Telephone Company termination liability charges as described below. These charges shall become due as of the effective date of the cancellation or termination. The Customer must provide written notification 90 days prior to the desired date of termination to the Telephone Company. This notification must include the date upon which the Customer will terminate the Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 25.20.2, or fails to meet any of the Terms and Conditions in Section 25.20.3, then the Telephone Company shall provide the Customer with written notification of such non-compliance and the Customer will have sixty (60) days to comply. If the Customer does not comply within such time period, the Customer will be deemed to have terminated its participation in Contract Offer No. 20 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 39, Section 2.8.

The Customer's termination liability charge shall be equal to the following: If the Customer terminates the Contract Offer prior to the expiration of a term year, 100% of all Discounts (including non-recurring charges and early termination charges) received under Contract Offer No. 20 for the preceding six (6) months immediately prior to the date of termination, plus the following schedule:

(1) If terminated in Year 1, 10% of the Base MARC for the remaining portion of Year 1, plus 10% of the Base MARC for the remaining years of the Contract Offer.
(2) If terminated in Year 2, 12.5% of the Year 2 MARC for the remaining portion of Year 2, plus 12.5% of the Year 2 MARC for the remaining years of the Contract Offer.
(3) If terminated in Year 3, 12.5% of the Year 3 MARC for the remaining portion of Year 3, plus 12.5% of the Year 3 MARC for the remaining years of the Contract Offer.
(4) If terminated in Year 4, 12.5% of the Year 4 MARC for the remaining portion of Year 4, plus 12.5% of the Year 4 MARC for year 5
(5) If terminated in Year 5, 10% of the Year 5 MARC for the remaining portion of Year 5. (N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.20 Contract Offer No. 20 – Special Access Service Offer (Cont'd)

25.20.11 Termination Liability (Cont'd)

(B) New Special Access Service Offerings

If the Telephone Company makes available one or more new special access service offerings capable of substituting for the Subject Services provided under this Contract Offer, the Customer will be permitted to enter into a new contract offer or other contract or tariff arrangement to purchase the new service offerings from the Telephone Company, in substitution for the Subject Services provided under this Contract offer, without incurring termination liability under this Contract Offer, provided, however, that the Customer's Contract Offer or other contract or tariff governing the new service offerings must include a term period and revenue commitment that are the same as, or greater than, this Contract Offer.

(C) This Section 25.20.11 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 20, except for charges due and payable for Contributory Services rendered prior to the date of termination and any non-recurring charges and/or termination liability charges that may become due and payable in accordance with Sections 25.20.11.

(N)

25. Pricing Flexibility Contract Offerings (N)

25.21 Contract Offer No. 21– Special Access Service Offer (N)

25.21.1 General Description (Nx)

Special Access Service Offer is an access discount plan for DS1, DS3, Optical Carrier Network (OCN), Dedicated SONET Ring Services (DSRS), and Gigabit Ethernet Metropolitan Area Network (GigaMAN®) Services(Contract Offer No. 21), for which subscription is required in the following SBC Companies: Ameritech Operating Companies (Ameritech); The Southern New England Telephone Company (SNET); Pacific Bell Telephone Company (PBTC); and Southwestern Bell Telephone Company (SWBT). Contract Offer No. 21 is available to any Customer with at least $ 2,000,000 in cumulative annual revenue for Subject Services as described in Section 25.21.2 for the above mentioned SBC Companies. Customer must meet the eligibility criteria set forth in Section 25.21.3 and also must comply with the terms and conditions as described in Section 25.21.4. This contract offering is available in the MSAs listed in Section 25.21.3. (Nx)

Contract Offer No. 21 requires that the Customer maintain a Minimum Annual Revenue Commitment (MARC) for each year of the three (3) year Term Period. In the event the Customer does not meet the MARC as of each anniversary date of each term year, the Customer must remit the shortfall payment as set forth in Section 25.21.5. Notwithstanding the obligation to pay such shortfall, if the Customer does not comply with Section 25.21.5, Termination Liability Charges in accordance with Section 25.21.8 shall apply.. (N)

Contract Offer No. 21 is only available for subscription September 7, 2005 through October 7, 2005. This offer is not renewable. (N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.2 Subject Services Available Under Contract Offer No. 21

Contract Offer No. 21 applies to pricing-flexibility-qualified access services (Hereafter referred to as Subject Services) contained in the following tariff sections:

(1) High Capacity Special Access Services – The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 7.16
(2) Optical Carrier Network (OCN) Point-to-Point Services – The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 21
(3) Dedicated SONET Ring Services - The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 20
(4) GigaMAN® Service - The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 7.17

All terms and conditions for the Subject Services listed above are governed by their respective tariff sections except where provision of this Contract Offer No. 21 conflict with such respective tariff sections, in which case the provisions provided herein shall prevail.

25.21.3 Eligibility Criteria

(A) The following eligibility criteria must be met in order to receive discounts for the purchase of Subject Services pursuant to Contract Offer No. 21:

(1) Service must be a pricing-flexibility-qualified access service described in Section 25.21.2.

(2) Services must be located in the following Pricing Flexibility Qualified MSAs:

Bridgeport CT and Hartford CT

(N)

22. Pricing Flexibility Contract Offerings (Cont'd) (N)

22.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

22.21.3 Eligibility Criteria (N)

(A) (Cont'd) (Nx)

(3) Customer must have a minimum of $2,000,000 in cumulative annual revenue for Subject Services in the following SBC Companies: Ameritech Operating Companies (Ameritech); The Southern New England Telephone Company (SNET); Pacific Bell Telephone Company (PBTC); and Southwestern Bell Telephone Company (SWBT).

(4) Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 21 pursuant to the following tariffs:

(a) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 71

(b) Ameritech Tariff F.C.C. No. 2, Section 22, Contract offer No. 80

(c) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 59

22.21.4 Terms and Conditions (Nx)

(A) Term Period (N)

The contract term (Term Period) is three (3) years, commencing on the date the Customer submits the completed Letter of Subscription to the Telephone Company. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options as described in SNET Tariff F.C.C. No. 39 Sections 7, 20, and 23 for DS1, DS3, OCN, DSRS, and GigaMAN Service.

If, at the expiration of the Term Period, the Customer elects to continue service and does not select a payment option as described in the SNET Tariff F.C.C. No. 39, Sections 7, 20 and 23, Subject Services will be converted to the prevailing applicable monthly tariff rates.

(N)

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(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.4 Terms and Conditions

(A) Term Period (Cont'd)

Rate stability under Contract Offer No. XX applies only to the rates specific to this Contract Offer as outlined in Section 25.XX.6. Purchase of the Subject Services listed above are also subject to certain rates, charges and general terms and conditions in other sections of The Southern New England Telephone Company F.C.C. Tariff No. 39, as set forth in Section 2-General Regulations, Section 5-Ordering Regulations, and Section 8 –Testing, Maintenance, and Additional Labor Services, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in this Contract Offer.

(B) Contract Offer No. 21 is only available September 7, 2005, through October 7, 2005;

(C) In order to subscribe to Contract Offer No. 21, Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) Subject Services to which the Customer already subscribes as of the commencement of the Term Period, shall adhere to the Terms and Conditions of this Contract Offer and shall receive the discounted rates described in Section 25.21.6.

(E) Subject Services in Section 25.21.2 purchased after the commencement of the Term Period and on completion of the access service order, shall become fully subject to the Terms and Conditions of this Contract Offer and shall thereafter receive the discounted rates described in Section 25.21.6.

(F) Customer must subscribe to the services available under this Contract Offer in accordance with the regulations set forth in Section 5 – Ordering Regulations;

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.4 Terms and Conditions (Cont'd)

(G) Subject to the provisions of Section 25.21.7, DS1 and DS3 Portability, if the Customer terminates any Subject Services during the Term Period, termination liability charges shall apply in accordance with Section 25.21.8;

(H) If the Customer requests additional service features and functions not included in 25.21.6, the Customer must pay the applicable tariff rates for those additions as contained in Section 24 – Metropolitan Statistical Area Access Services;

(I) The Customer cannot subscribe to or include Subject Services subscribed to under this Contract Offer in any other contract offering;

(J) The Customer must be current on undisputed billing for existing services within 60 days after subscribing to this Contract Offer, and must remain current on all undisputed charges throughout the Term Period.

25.21.5 Minimum Annual Revenue Commitment (MARC)

(A) Establishing and Maintaining the MARC

The Customer must maintain a Minimum Annual Revenue Commitment (MARC) of $2,000,000 for each year of the three year term period for Subject Services as described in Section 25.21.2. The MARC for the first year of the Term Period (Year 1) will be established when the Telephone Company receives the Letter of Subscription from the Customer. For the purposes of calculating the Year 1 MARC, recurring annual revenue for all existing Subject Services pursuant to this Contract Offer shall be included in the calculation of the Year 1 MARC.

(B) Annual True-Up

The Customer's Year 1 MARC shall be $2,000,000 as determined upon completion of the LOS. The MARC for Years 2 and 3 will be reviewed and re-established at $2,000,000 on annual basis, effective on the Contract anniversary dates.

In the event the Customer does not meet the MARC as of each anniversary date of each term year, the Customer must pay the shortfall payment, as described in 25.21.5(C) below.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.5 Minimum Annual Revenue Commitment (MARC) (Cont'd)

(C) Failure to Achieve the MARC

If the Customer fails to achieve the annual MARC at the end of each 12 months of the contract term period, the Customer must pay the difference between the Annual MARC for the current term year and the actual recurring annual revenue for the Subject Services. The Customer will be notified by the Telephone Company and will be required to remit a shortfall payment to reach the MARC.

The true-up calculation will be performed as follows:
Annual MARC ($ 2,000,000.00) - Actual Annual recurring revenues for Subject Services as described in Section 25.21.5 (A) = Annual True-Up Amount

If the Telephone Company does not receive the shortfall payment amount within 30 days of its notification, the Customer is deemed to have terminated its Contract Offer No.21 and termination liability charges will apply as set forth in Section 25.21.8.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.6 Rates and Charges

A) Monthly Recurring Charges

The tables below contain the discounted rates for this Contract Offer. The Customer must pay the following Monthly Recurring Charge (MRC) for the Subject Services as described in Section 25.21.2.

High Capacity DS1 Service	**Monthly Rate Per Circuit**
(1) Channel Termination – 0 miles	$113.00
(1) Channel Termination with 1-10 miles	$185.00
(1) Channel Terminations with 11-20 miles	$225.00
(1) Channel Termination with over 20 miles	$225.00
** plus $7 for each mile over 20 miles	

High Capacity DS3 Service	**Monthly Rate Per Element**
Channel Termination – TZ4BX – per pt of term.	$775.00
Channel Mileage - FIXED – 1YBBX	$232.75
Channel Mileage – PER MILE – 1YBBX	$25.00
Multiplexing – DS3 to DS1 - QM3XX	$427.50

Optical Carrier Network (OCN) PT-to-PT	**USOC**	**OC-3**	**OC-12**	**OC-48**
Local Dist. Channel – per pt. of term.	TMECS	$1,067.00	$2,496.00	$5,148.00
Interoffice Transport - FIXED.	1L5XX	$311.00	$464.00	$1108.00
Interoffice Transport - per mile	1L5XX	$203.00	$203.00	$312.00
Add/Drop Multiplexing – OC-3	MPECX	$751.20		
Add/Drop Multiplexing – OC-12	MPEDX		$1,872.00	
Add/Drop Multiplexing – OC-48	MXRFX			$3,744.00
Add/Drop Function – per DS1	MXJAX	$40.00		
Add/Drop Function – per DS3	MXJBX	$93.60	$93.60	$93.60
Add/Drop Function – per OC3	MXJCX		$120.00	$120.00
Add/Drop Function – per OC12	MXJEX			$300.00

Dedicated SONET RING Service (DSRS) – OC-48	**USOC**	**Monthly Rate**
NODE – Central Office Node - OC48	SEFCN	$3,249.50
NODE - Customer Premises Node – OC-48	SEFCK	$4,122.50
GigaMAN® Service – 1GBPS	**USOC**	**Monthly Rate**
Local Distribution Channel – per pt of termination	TMECS	$2,223.00
Interoffice Transport Mileage – FIXED	1L5XX	$156.00
Interoffice Transport Mileage – PER MILE	1L5XX	$78.00

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.6 Rates and Charges (Cont'd)

(B) Non-Recurring Charges

(1) The Telephone Company shall waive the following Non-Recurring Charges associated with the purchase of qualifying DS1 and DS3 Services subscribed to this Contract Offer:

(a) Administrative Charge per order
(b) Design and Central Office Connection Charge per Circuit
(c) Customer Connection Charge per termination

(2) Non-Recurring Charges and/or Special Construction Charges may apply to new installations of OCN, DSRS, and GigaMAN Service subscribed to this Contract Offer based on the cost of the Telephone Company to provide the new service.

25.21.7 DS1 and DS3 Portability

(A) DS1 Portability shall be provided as follows:

The Telephone Company shall credit the Customer any paid early termination liability charges for the disconnection of DS1s throughout the term of Contract Offer No. 21 as long as the DS1 has been in service for a minimum of one (1) year, provided that the eligibility criteria in Section 25.21.3 and terms and conditions in Section 25.21.4 have been met. The in-service period is calculated from the date the circuit is installed, which may be earlier than the date the Term Period of Contract Offer No. 21 begins.

(B) DS3 Portability shall be provided as follows:

The Telephone Company will credit the Customer paid early termination liability charges for the disconnection or move of DS3s in each year throughout the term of Contract Offer No. 21, provided that the eligibility criteria in Section 25.21.3 and terms and conditions in Section 25.21.4 have been met. The number of DS3 circuits disconnected or moved each year without termination liability charge is not to exceed 10% of DS3 circuits in place at the beginning of each year of the term period. Disconnects or moves in excess of 10% will incur early termination liability charges in accordance with the termination liability described in Section 25.21.8.

(N)

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd)

25.21.8 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in Sections 7, 20, and 21. If the Customer terminates Subject Services under this Contract or terminates the Contract Offer in its entirety before the completion of the term period for any reason, the Customer must pay the Telephone Company termination charges as described in this section. These charges shall become due as of the effective date of the termination of service. The Customer must provide written notification to the Telephone Company 30 days prior to the desired date of termination of the Subject Services pursuant to this Contract Offer.

If the Customer fails to meet any of the eligibility criteria in Section 25.21.3, or fails to meet any of the Terms and Conditions in Section 25.21.4, the Customer will be deemed to have terminated services under this Contract Offer and Termination Liability is payable.

(A) Customer terminates a Subject Service:

If the Customer terminates a Subject Service before the completion of the term period, the Customer's termination liability charge for termination of service shall be equal to:

50% of the monthly charges on the unexpired portion of the three (3) year term.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (months remaining in term) multiplied by (termination liability percentage of 50%).

Example: The Customer terminates service on a DS3 with a $ 1202.50 monthly charge after thirty (30) months of service and has six (6) months remaining in the thirty-six (36) month term. The termination liability would be calculated as:

$1202.50 X 6 X .50 = $ 3607.50 termination liability charge.

(N)

25. Pricing Flexibility Contract Offerings (Cont'd)

25.21 Contract Offer No. 21– Special Access Service Offer (Cont'd) (N)

25.21.8 Termination Liability (Cont'd)

(B) Customer terminates Contract Offer

If the Customer terminates this Contract Offer before the completion of the term period, the Customer's termination liability charges for termination of the contract shall be equal to:

The difference between the Actual Current Annual Recurring Revenue for Subject Services and the annual MARC at the time of termination, plus 50% of the annual MARC at the time of termination for each subsequent year remaining in the term period.

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

Example: the Customer terminates the contract in Year 2 and Customer has 1 year remaining in a 3 year term period. Customer's annual MARC at time of termination is $2,000,000 and actual recurring revenue is $1,500,000. The Termination liability charge will be as follows:

($2,000,000 – 1,500,000) + (50% 0f $2,000,000 x 1) = $1,500,000 termination liability charge.

(N)