

SBC ADVANCED SOLUTIONS, INC. (ASI)
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 11
September 23, 2002

PURPOSE

SBC Advanced Solutions, Inc. (ASI) proposes the following modifications to its Tariff F.C.C. No. 1:

- 1) Create a vintage service section for Asynchronous Transfer Mode (ATM) services established pursuant to sections 4.1 through 4.4 between September 10, 2001 and December 31, 2002 and introduce a restructured ATM Service offering in sections 4.5 through 4.8;
- 2) Create a vintage service section for Frame Relay services established pursuant to sections 5.1 through 5.4 between September 10, 2001 and December 31, 2002 and introduce a restructured Frame Relay Service offering in sections 5.5 through 5.8;
- 3) Grandfather the existing Frame Relay/ATM Service Level Agreement (SLA) in section 2.20 and introduce the new Standard Frame Relay/ATM Service Level Agreement (SLA) in section 2.21;
- 4) Revise Wholesale DSL Transport and Remote LAN DSL Transport sections for clarification and to reflect ATM connectivity for DSL Transport using the restructured ATM Service provided pursuant to sections 4.5 through 4.8;
- 5) Add clarifying language to the Network Access Point (NAP) terms and conditions and reduce rates for NAP;
- 6) Make modifications to the TPP Volume Discount Plan (TVP);
- 7) Introduce new nonrecurring charges;
- 8) Make miscellaneous changes to section 3 – Application of Rates;
- 9) Introduce the Frame Relay Service Nonrecurring Charge Waiver Promotion; and
- 10) Correct rates and miscellaneous provisions for Frame Relay Service offered pursuant to sections 4.1 and 4.4.

DESCRIPTION OF FILING

1) Restructure of Asynchronous Transfer Mode (ATM) Service

Before the merger of SBC and Ameritech and the creation of ASI, each SBC regional telephone company (Pacific Bell, Nevada Bell, Ameritech Operating Companies, Southwestern Bell Telephone Company and Southern New England Telephone Company) developed its own version of the ATM product. Each product included regional differences in service features, service options and pricing. When ASI initially tariffed its ATM product¹, these regional differences were maintained. With this filing, ASI proposes to eliminate those regional differences and provide a consistent ATM product across all SBC regions. To accomplish this, ASI proposes to create a vintage service section for all ATM Service established pursuant to sections 4.1 through 4.4 between the period of September 10, 2001 and December 31, 2002 and concurrently introduce a restructured ATM Service offering pursuant to sections 4.5 through 4.8.

Vintage services will be classified as those Asynchronous Transfer Mode (ATM) Services established between September 10, 2001 and December 31, 2002, the rates, terms and conditions for which are set forth in Section 4.1 (Vintage Service Description), Section 4.2 (Vintage Service Provisioning), Section 4.3 (Vintage Rate Elements) and Section 4.4 (Vintage Rates). Company is retaining the rates, terms and conditions applicable to the vintage services. The following caption has been added to each vintage tariff page: "Vintage Services – Services Established Between

¹ SBC ASI filed its interstate tariffs out of an abundance of caution, to avoid any dispute concerning the proper regulatory treatment of its interstate service offerings. SBC still believes it is a non-dominant provider of broadband services, and is confident the FCC will soon resolve this issue in its pending Title II proceeding [*Review of Regulatory Requirements for Incumbent LEC Broadband Telecommunications Services*, Notice of Proposed Rulemaking, CC Docket No. 01-337, FCC 01-360, released Dec. 20, 2001; See Letter from Gary L. Phillips, General Attorney, SBC, to Dorothy Attwood, Chief Common Carrier Bureau, FCC, dated February 15, 2001; also See SBC Petition for Expedited Ruling That It Is Non-Dominant in Its Provision of Advanced Services and for Forbearance From Dominant Carrier Regulation of Those Services (filed Oct. 3, 2001) (Non-Dominant Petition). SBC notes, in this regard, that in his July 30, 2002, testimony before the Committee on Commerce, Science, and Transportation of the United States Senate, Chairman Powell of the FCC stressed the need for state and federal regulators to reform their regulation of broadband services and stated that the FCC "will strive to complete [its core broadband policy proceedings] by year-end." "Financial Turmoil in the Telecommunications Marketplace: Maintaining the Operations of Essential Communications," Written Statement of Michael K. Powell, Chairman, FCC, Before the Committee on Commerce, Science, and Transportation, United States Senate, July 30, 2002, at 14-17.

Sept. 10, 2001 and Dec. 31, 2002.” In order to comply with Section 61.54 of the Commission’s Rules, ASI is noting the section 4.5 through 4.8 tariff pages with (C) codes to illustrate sections that have been restructured.

The restructured ATM Service offering will launch several new ATM Service features and enhancements. Some of the benefits include:

- Standardized pricing structure across all ASI service territory
- Standardized and expanded Port Only/Port and Access structure across all ASI service territory
- Standardized VCC and VPC structure
- Standardized speed offerings
- Introduction of Alternate Routing VCCs and VPCs
- Introduction of Disaster Recovery VCCs and VPCs
- Standardize and introduce new Quality of Service offerings

Customers with vintage services provided under a TPP or on a month-to-month basis retain all existing rights with respect to those services under the terms of the vintage section of the Tariff (e.g., customers may add or rearrange PVCs). However, after December 31, 2002, requests for new Services will be filled pursuant to Sections 4.5 through 4.8 of this tariff. All customers will be notified, via bill message, of ASI’s classification of the services offered pursuant to sections 4.1 through 4.4 as vintage as well as the introduction of the restructured ATM Service.

Customers may choose to migrate vintage ATM services to new ATM services provided pursuant to Sections 4.5 through 4.8 (“ATM Service”) or new Frame Relay services provided pursuant to Sections 5.5 through 5.8 (“Frame Relay Service”).

No termination charges would apply to such migrations provided the following conditions are met: (1) the term selected for the new ATM Service or Frame Relay Service is equal to or greater in

length than the remaining portion of the TPP for the vintage service; and (2) the new ATM Service or Frame Relay Service port transmission speed(s) purchased are equal to or greater than those purchased with the vintage service.

Nonrecurring charges would not apply to such migrations provided the following conditions are met: (1a) the term selected for the new ATM Service or Frame Relay Service is equal to or greater in length than the remaining portion of the TPP for the vintage service; or (1b) for vintage service migrated from a month-to-month basis, the term of the new ATM Service or Frame Relay Service is one (1) year or greater in length; and (2) the new ATM Service Frame or Relay Service port transmission speed(s) purchased are equal to those purchased with the vintage service.

Customers of vintage service may purchase ATM Services provided pursuant to Sections 4.5 through 4.8 in addition to retaining the vintage service. In such case, Customer may, at their own discretion, obtain PVC connectivity between vintage service ports and new ATM Service ports through the purchase of either vintage service or new ATM Service PVCs. If Customer selects a PVC under the vintage service section of the tariff, the PVC would be associated with the vintage service port; if Customer selects a PVC under the new ATM Service section, the PVC would be associated with the new ATM Service Port.

2) Restructure of new Frame Relay Service

Before the merger of SBC and Ameritech and the creation of ASI, each SBC regional telephone company (Pacific Bell, Nevada Bell, Ameritech Operating Companies, Southwestern Bell Telephone Company and Southern New England Telephone Company) developed its own version of the Frame Relay product. Each product included regional differences in service features, service options and pricing. When ASI initially tariffed its Frame Relay product, these regional differences were maintained. With this filing, ASI proposes to eliminate those regional differences and provide a consistent Frame Relay product across all SBC regions. To accomplish this, ASI proposes to create a vintage service section for all Frame Relay Service established pursuant to sections 5.1

through 5.4 between the period of September 10, 2001 and December 31, 2002 and concurrently introduce a restructured Frame Relay Service offering pursuant to sections 5.5 through 5.8.

Vintage services will be classified as those Frame Relay Services established between September 10, 2001 and December 31, 2002, the rates, terms and conditions for which are set forth in Section 5.1 (Vintage Service Description), Section 5.2 (Vintage Service Provisioning), Section 5.3 (Vintage Rate Elements) and Section 5.4 (Vintage Rates). Company is retaining the rates, terms and conditions applicable to vintage services. The following caption has been added to each vintage tariff page: "Vintage Services – Services Established Between Sept. 10, 2001 and Dec. 31, 2002." In order to comply with Section 61.54 of the Commission's Rules, ASI is noting the section 5.5 through 5.8 tariff pages with (C) codes to illustrate sections that have been restructured.

The restructured Frame Relay Service offering will launch several new Frame Relay Service features and enhancements that customers demand. Some of the benefits include:

- Standardized pricing structure across all ASI service territory
- Standardized Port Only/Port and Access structure across all ASI service territory
- Standardized PVC structure
- Standardized speed offerings
- Introduction of Alternate Routing VCCs and VPCs
- Introduction of Disaster Recovery VCCs and VPCs
- Introduction of Frame Relay Quality of Service

Customers with vintage services provided under a TPP or on a month-to-month basis retain all existing rights with respect to those services under the terms of the vintage section of the Tariff (e.g., customers may add or rearrange PVCs). However, after December 31, 2002, requests for new Services will be filled pursuant to Sections 5.5 through 5.8 of this tariff. All customers will be

notified, via bill message, of ASI's classification of the services offered pursuant to sections 5.1 through 5.4 as vintage as well as the introduction of the restructured Frame Relay Service.

Customers may choose to migrate vintage Frame Relay services to new Frame Relay services provided pursuant to Sections 5.5 through 5.8 ("Frame Relay Service") or new ATM services provided pursuant to Sections 4.5 through 4.8 ("ATM Service").

No termination charges would apply to such migrations provided the following conditions are met: (1) the term selected for the new Frame Relay Service or ATM Service is equal to or greater in length than the remaining portion of the TPP for the vintage service; and (2) the new Frame Relay Service or ATM Service port transmission speed(s) purchased are equal to or greater than those purchased with the vintage service.

Nonrecurring charges would not apply to such migrations provided the following conditions are met: (1a) the term selected for the new Frame Relay Service or ATM Service is equal to or greater in length than the remaining portion of the TPP for the vintage service; or (1b) for vintage service migrated from a month-to-month basis, the term of the new Frame Relay Service or ATM Service is one (1) year or greater in length; and (2) the new Frame Relay Service or ATM Service port transmission speed(s) purchased are equal to those purchased with the vintage service.

Customers of vintage service may purchase Frame Relay Services provided pursuant to Sections 5.5 through 5.8 in addition to retaining the vintage service. In such case, Customer may, at their own discretion, obtain PVC connectivity between vintage service ports and new Frame Relay Service ports through the purchase of either vintage service or new Frame Relay Service PVCs. If Customer selects a PVC under the vintage service section of the tariff, the PVC would be associated with the vintage service port; if Customer selects a PVC under the new Frame Relay Service section, the PVC would be associated with the new Frame Relay Service Port.

3) Introduce Standard Frame Relay/ATM Service Level Agreement (SLA)

ASI proposes to grandfather the existing Frame Relay/ATM SLA in section 2.20 of the tariff and introduce a new Standard Frame Relay/ATM SLA in section 2.21.

Effective January 1, 2003, the Frame Relay/ATM SLA offered in section 2.20 of the tariff only applies to Frame Relay Service offered in vintage service sections 5.1 through 5.4 or ATM Service offered in vintage service sections 4.1 through 4.4 purchased under a two (2), three (3) or five (5) year TPP on or before December 31, 2002.

The new Standard ATM/Frame Relay SLA applies to customers who purchase Asynchronous Transfer Mode (ATM) offered in sections 4.5 through 4.8 or Frame Relay Service offered in sections 5.5 through 5.8 of the tariff. Once ATM or Frame Relay Service is purchased out of the sections above, the Standard ATM/Frame Relay SLA will apply to those new ATM or Frame Relay Service elements and any existing ATM or Frame Relay Service elements provided on the same network as the new ATM or Frame Relay Service elements. The Standard ATM/Frame Relay SLA is available at no additional cost to the customer. The total amount of the service credit customer receives for any Port or PVC for any month shall not exceed 100% of the monthly recurring charge associated with the Port or PVC. The Standard ATM/Frame Relay SLA will apply until the service is disconnected. The Standard ATM/Frame Relay SLA benefits the customer by introducing two new parameters: Network Availability and Latency.

For Frame Relay and ATM Services provided to the customer, ASI is committed to maintaining a network availability of 99.99% from ingress switch port to egress switch port each calendar month in all regions.

$$\text{Network Availability} = 1 - \frac{\text{network outage time (in hours)}}{(24 \text{ hours} \times \text{days in month} \times \text{number of customer locations})}$$

If the customer's network availability falls below 99.99%, the customer is entitled to 10% of the monthly recurring charges for all affected Ports and/or PVCs for the subsequent month in which the network availability failure occurred.

Latency is calculated as the amount of time, in milliseconds, it takes for a Frame/Cell to travel roundtrip across a PVC. For Frame Relay and ATM Services provided to the customer, ASI is committed to maintaining Frame/Cell delay across the company-provided customer-specific network according to the parameters below:

- Less than or equal to 110 milliseconds roundtrip for all IntraLATA Frame Relay Service;
- Less than or equal to 110 milliseconds roundtrip for IntraLATA ATM Service with VBR-nrt and VBR-rt Quality of Service Level; and
- Less than or equal to 100 milliseconds roundtrip for IntraLATA ATM Service with CBR Quality of Service Level.

If the customer's Frame/Cell delay does not meet the committed level as outlined above, the customer is entitled to 50% of the monthly recurring charges for all affected Ports and/or PVCs for the subsequent month in which the customer-specific Frame/Cell delay was below the committed level.

4) Revisions to Wholesale DSL Transport and Remote LAN DSL Transport

ASI is adding language to Wholesale DSL Transport and Remote LAN DSL Transport to direct customers to the restructured ATM Service section 4.8 for rates associated with the provisioning of ATM connectivity for DSL Transport when the ATM Service is provided from sections 4.5 through 4.8.

DSL Transport sections 6.2.9 and 7.2.9 are being modified to more accurately depict VC provisioning in ASI-Central and ASI-Northeast. In those regions, VC provisioning gives each

customer access to all DSLAMs in the LATA, therefore multiple VPs are not necessary. ASI is eliminating language that references multiple VPs in those sections to clarify VC provisioning for customers. In addition, the language in sections 6.2.11 and 7.2.11 has been revised to clarify that, in cases where the ASI uses remote terminals installed by vendors or affiliates, the company connects to central offices that contain OCDs to provide DSL Transport.

5) Revisions to Network Access Point (NAP)

ASI is proposing the following revisions to NAP:

- Include NAP TPPs in Section 3.5 (Term Pricing Plans). Previously there were no terms and conditions associated with NAP TPPs. TPPs purchased under NAP are to adhere to the same terms and conditions as TPPs purchased under ATM and Frame Relay.
- Reduce rates for OC-3c and OC-12c NAP provided under a five (5) Year TPP in ASI-West region;
- Modify OC-3 and OC-12 speeds shown on the rate pages in Section 8.4 to reflect OC-3c and OC-12c speeds. The “c” (concatenated) was inadvertently omitted from the rate pages. Concatenated speeds are currently being offered to customers as shown in Section 8.1.3;
- Delete language referring to the length of each billing month for NAP since it varies by ASI region;
- Delete language referring to multi-lateral agreements and Routing Arbiter Service due to lack of customer demand. Also delete language in 8.2.4 indicating that NAP customers may negotiate their own bilateral agreements; this condition is explained in 8.2.3; and
- Delete and revise language throughout to clean-up tariff section (e.g., delete term “Cell Relay” from section 8.1.1, remove term “local loop” and replace with “PVC” in section 8.2.3).

6) Revisions to TPP Volume Discount Plan (TVP)

The TPP Volume Discount Plan (TVP), available for Frame Relay and ATM Service customers, is being modified as follows:

- Add the ATM Service two (2) year TPP to TVP eligibility, which will be introduced with the restructured ATM Service offering provided in sections 4.5 through 4.8;
- Make the TVP volume discount applicable to PVCs when purchased from the tariff sections containing the restructured Frame Relay or ATM Service offerings;
- Expand the speed offerings available to receive the TVP discount. For the restructured Frame Relay Service offering provided in sections 5.5 through 5.8, all 56Kbps and 64Kbps service arrangements will contribute to the Volume Commitment Levels and receive the volume discounts. For the restructured ATM Service offering provided in section 4.5 through 4.8, OC-3c service arrangements in ASI-Northeast will contribute to the Volume Commitment Levels and receive the volume discounts.
- Add language to address customers who sign up for TVP on or after September 28, 2002 and the eligibility of their ATM Host-Link service arrangements.

7) Introduction of new nonrecurring charges

ASI proposes to add new rate elements to the tariff: record order charge, service order change charge and expedite order charge.

The record order change charge is a nonrecurring charge that applies for receiving, recording and processing information in connection with customer initiated changes to customer's account information (e.g. change in Customer billing name or billing address). In these instances, a record order is issued. Once a record order is issued, the customer may request additional changes to their account information without a subsequent record order charge being issued, provided the additional changes are requested during the same business day.

The service order change charge is a nonrecurring charge that applies when the customer requests an addition, change, or rearrangement of service before installation is complete, which results in engineering redesign.

The expedite order charge is a per order nonrecurring charge that applies when an ATM Service customer, Frame Relay Service customer, or NAP customer desires the new service be provided on a due date earlier than that provided on the Firm Order Confirmation (FOC).

The expedite order charge applies only if ASI determines the service can be provided on an expedited basis. No expedite order charge will apply if ASI is subsequently unable to meet the agreed upon expedited service date, unless the missed service date was caused by the customer.

ASI also proposes to change the service order cancellation charge from 100% of the Month/Month nonrecurring charges (or 100% of one (1) year nonrecurring charges when Month/Month is not applicable) to a flat rate of \$250 per service order.

8) Miscellaneous changes to section 3 – Application of Rates

In addition to the revisions above, ASI is making the following modifications:

- Adding language to clarify the minimum periods for the NAP and the restructured ATM and Frame Relay Service offerings;
- Adding language to clarify the renewal options for customers purchasing the restructured ATM and Frame Relay Service offerings. These customers must notify ASI of their intent to renew their service, otherwise the service will convert to the current out of term rates until the customer cancels or renews the service with a new TPP term; and
- Clarify the conditions associated with upgrades in service that do not involve moves.

9) Frame Relay Service Nonrecurring Charge Waiver Promotion

The Frame Relay Service Nonrecurring Charge Waiver Promotion waives the Port, Port and Access and PVC nonrecurring charges for new Frame Relay Service ordered from sections 5.5 through 5.8 under a new two (2) year TPP for the period from October 1, 2002 through December 29, 2002. If the customer terminates service prior to expiration of the committed service period, termination

charges will apply and the customer will be assessed and liable for any nonrecurring charges waived as a result of the promotion.

10) Miscellaneous Corrections for Frame Relay Service

Tariff revisions are proposed to correct errors made in Transmittal No. 9 as follows:

- 1) Increase rates for 56 Kbps Month-to-Month Frame Relay Service in ASI-West/California, appearing on 3rd Revised Page 57 to reflect the rates as they appeared on 2nd Revised Page 57. These Month-to-Month rates were inadvertently reduced (without corresponding marginalia) with ASI Transmittal No. 9, which became effective on June 1, 2002. All Month-to-Month customers will receive a credit for the difference between the higher billed rate and the lower tariffed rate for the affected service during the period June 1, 2002 through the effective date of the tariff;
- 2) Eliminate the PVC Logical Link rates for Frame Relay Service provided in ASI-West/California and an associated footnote, all appearing on 3rd Revised Page 57, to revert back to the tariff page as it appeared on 2nd Revised Page 57. These rates and associated footnote also appear on 2nd Revised Page 58 and were initially eliminated from Page 57 with ASI Transmittal No. 6, which became effective on February 27, 2002. These rates and associated footnote were inadvertently re-introduced to 3rd Revised Page 57 (without corresponding marginalia) with ASI Transmittal No. 9, which became effective on June 1, 2002.