

SBC ADVANCED SOLUTIONS, INC. (ASI)
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. XX
December XX, 2002

PURPOSE

With this tariff filing, SBC Advanced Solutions, Inc. (ASI) proposes the following revisions to its Tariff F.C.C. No. 1:

- 1) Introduce DSL Term Pricing Plans (DSL-TPPs) for Wholesale DSL Transport customers;
- 2) Add language pertaining to the introduction of API functionalities;
- 3) Introduce Federal Universal Service Fund (FUSF) surcharges for the new DSL-TPPs;
- 4) Merge the Wholesale DSL Transport and Remote LAN (R-LAN) DSL Transport Phase I and Phase II speed offerings;
- 5) Reduce Wholesale DSL Transport rates;
- 6) Revise R-LAN DSL Transport Volume Commitment Plan and add language to section 2 – Undertaking of Company.

The proposed tariff revisions are discussed in detail below.

Wholesale DSL Transport Term Pricing Plans (DSL-TPP)

The DSL-TPPs are four (4) year rate discount plans that are available with all Wholesale DSL Transport Arrangements. The DSL-TPP can be purchased under any of six (6) available volume levels. Every six months, ASI will monitor the number of Wholesale DSL Transport Arrangements each customer has in service. Based on the outcome of this biannual review, a customer's prices will be adjusted to reflect higher or lower volume levels, as appropriate.

Basic I and Basic II speed offerings purchased under the 30,000-59,999 volume level DSL-TPP, 60,000-99,999 volume level DSL-TPP and 100,000+ volume level DSL-TPP will be available to customers beginning December XX, 2002. The remaining DSL-TPPs and speed offerings will be available to customers beginning February 1, 2003.

Each Wholesale DSL Transport Arrangement provided under a DSL-TPP has a minimum term commitment of one (1) year. Any Arrangement terminated prior to the minimum term commitment will be assessed termination liability charges.

For Wholesale DSL Transport Arrangements provided pursuant to the tariff under a DSL-TPP or DSL-VDP, ASI proposes to implement a charge, per Arrangement, when the customer requests a downgrade in the speed offering. Customers will not be charged for speed downgrades that are a result of ASI's inability to provide the speed at the minimum sync rate.

API Development

ASI will soon implement API, a new interface that will simplify the customer ordering process for all new Wholesale DSL Transport Arrangements ordered after December 18, 2002. API has four (4) functionalities (Ordering, Status, Trouble Ticketing and Disconnect), each having a due date in which ASI must make it available to customers for testing and certification. If ASI does not meet the committed due date for any of the API functionalities, any customer that is participating in a volume commitment plan that begins to test the API interfaces within 120 days of the functionalities becoming available will have their term period extended by a period of time equal to the period of time in which any of the due dates were missed.

DSL-TPP FUSF surcharges

ASI proposes to establish a new explicit end user surcharge to recover Federal Universal Service Fund (FUSF) contributions for Wholesale DSL Transport provided under the new DSL-TPPs, in accordance with Part 69.158, as amended by the FCC CALLS Order. These new surcharges will allow ASI to explicitly recover FUSF contributions on a per line basis. ASI will not over-recover its FUSF contribution amount from its DSL-TPP customers. The FUSF surcharges associated with the Wholesale DSL Transport Basic I and Basic II speed offerings purchased under the 30,000-59,999 volume level DSL-TPP, 60,000-99,999 volume level DSL-TPP and 100,000+ volume level DSL-TPP

will be assessed beginning December 18, 2002. The FUSF surcharges associated with the remaining DSL-TPPs and speed offerings will not be assessed until those DSL-TPPs are made available on February 1, 2003. The delay in the effective date of the FUSF surcharges associated with certain DSL-TPPs and speed offerings until February 1, 2003 is due to the need to obtain USOCs and to make the necessary updates to the billing systems.

The new FUSF surcharges will be established in Section 2.14.8 of ASI's Tariff and will apply as follows: one FUSF surcharge per individual line. The FUSF surcharges for Wholesale DSL Transport provided under the DSL-TPP were developed by multiplying the 4th quarter 2002 FUSF contribution factor² by the proposed rate for each speed.

Merging of Phase I and Phase II speed offerings

Before the merger of SBC and Ameritech and the creation of ASI, the DSL speed tiers available in Ameritech were different than those available in other SBC regions (Southwestern Bell Telephone Company, Pacific Bell Telephone Company, Nevada Bell Telephone Company and Southern New England Telephone). Those varying DSL speed tiers are represented by region in the Phase I DSL speed offerings of the Wholesale DSL Transport Service and R-LAN DSL Transport Service sections of Tariff F.C.C. No. 1.

After ASI was formed, a need for standardized DSL products and pricing for all ASI regions became apparent. From this need came the Phase II speed tiers.

To further standardize DSL Transport, ASI proposes to merge the Phase I and Phase II speed offerings and offer all nine (9) speed tiers to customers in all ASI regions. ASI is also renaming four of the DSL speed tiers to accommodate the differences in the Phase I and Phase II offerings of

² *Fourth Quarter 2002 Universal Service Contribution Factor*, CC Docket No. 96-45, Public Notice, DA 02-2221 (rel. September 10, 2002).

Basic and Premium speeds. ASI is also eliminating references to Phase I and Phase II throughout sections 6 and 7 of the tariff.

Wholesale DSL Transport Rate Reductions

ASI proposes to reduce the rates for the Primary+ and Basic (I&II) speeds purchased under the 1-year/250 and Greater Volume Commitment Plan for Wholesale DSL Transport. These rate reductions will result in a reduction in the associated FUSF surcharges. The reduced FUSF surcharges were developed by multiplying the 4th quarter 2002 FUSF contribution factor² by the proposed reduced rate for each speed.

R-LAN DSL Transport Volume Commitment Plan Modification and Section 2 Revision

Modifications are being made to the R-LAN DSL Transport 250-600 Volume Commitment Plan to remove the language that limits the plan to a maximum of 600 DSL Transport lines. The plan is being renamed "250 and Greater Volume Commitment" to accommodate customers who achieve more than 600 in-service DSL Transport lines. This change will also make the terms and conditions of the plan identical to that of the 250 and Greater Volume Commitment Plan available to Wholesale DSL Transport customers.

ASI is also adding language to specify that, in the event its services are transferred to an affiliate, subsidiary or assign, ASI shall transfer all rights and obligations outlined in the tariff to that affiliate, subsidiary or assign.