ACCESS SERVICE

(This page filed under Transmittal No. 43)

22. Metropolitan Statistical Area Access Services

22.1 General Description

(A) This section of the tariff provides the regulations, rates and terms and conditions that apply to telecommunications services provided by the Telephone Company in the Metropolitan Statistical Areas (MSAs) in which the Telephone Company has received Phase II pricing flexibility pursuant to Subpart H of Part 69 of the Commission's Rules. MSAs are divided into the categories below:

(1) Full Service MSAs

Full Service Relief MSAs are those MSAs which qualified for Phase II pricing flexibility for all elements of service, i.e., local channels (channel terminations) between LEC end offices and customer (end user) premises; entrance facilities; dedicated interoffice facilities; local channels (channel terminations) between an interexchange carrier's point of presence and a serving wire center. The Full Service Relief MSAs are set forth in Section 22.2(A), following.

(2) Limited Service MSAs

Limited Service Relief MSAs are those MSAs that qualified for Phase II pricing flexibility for all elements of service except local channels (channel terminations) between a LEC end office and a customer (end user) premise. The Limited Service Relief MSAs are set forth in Section 22.2(B), following.

(B) The services provided in MSAs pursuant to this section of the tariff are set forth in Section 22.3, following. These services are comparable to the SWA Dedicated Transport Services in Sections 6.8.1(A), 6.8.1(B), 6.8.1(I), and the Special Access Services in Sections 7, 8, 20, 21, 22, 25, 26 (N) and 27. The general regulations, service descriptions, and rate regulations for the SWA Dedicated Transport Services in Section 6 and the Special Access Services in Sections 7, 8, 20, 21, 26 and 27 are also applicable to the services specified in this section.

(B) Unless otherwise provided for in this section, regulations set forth in Sections 1, 2, 5, and 13 are also applicable.

22. Metropolitan Statistical Area Access Services (Cont'd)

22.2 Metropolitan Statistical Areas

A. Full Service Relief MSAs are listed below:

State	MSA
Nevada	

B. Limited Service Relief MSAs are listed below:

State	MSA
Nevada	Reno

22.3 Services Available in an MSA

The following services are available in MSAs with Full and Limited Service Relief:

Special Access
Voice Grade Service
Program Audio Service
Video Service
Digital Data Service
High Capacity Service
Gigabit Ethernet Metropolitan Area Network(GigaMAN)
Multi-service Optical Network (MON)
Broadband Circuit Service (BCS)*
Optical Carrier Network (OCN) Point-to-Point
Dedicated SONET Ring Service
WaveMAN℠ (Wavelength Metropolitan Area Network)
DecaMAN® (10 Gigabit Ethernet Metropolitan Area Network) (N)
Switched Access/Dedicated Transport
Voice Grade
DS1
DS3
SS7

* This option is limited to existing customers at existing locations as of January 11, 2002.

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22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.4 Rate Regulations

(A) Figure 1 illustrates services provided within an MSA located in a Full Service Relief Area. The rates and charges for all associated rate elements for services in a Full Service Relief Area are contained in Section 22.5, following.

Full Service Relief Area

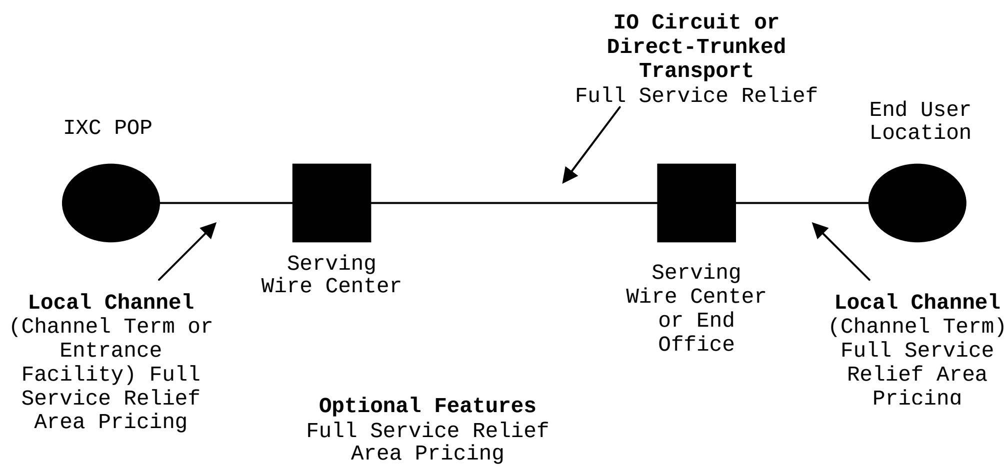

Figure 1 (N)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.4 Rate Regulations (Cont'd)

(B) Figure 2 illustrates services provided within an MSA located in a Limited Service Relief Area. The rates and charges for all associated rate elements for services in a Limited Service Relief Area are contained in Section 22.5, except for the local channels (channel terminations) between a LEC end office and a customer (end user) premise, which are referenced in Section 7, Section 8, Section 20 and Section 21 of this Tariff.

Limited Service Relief Area

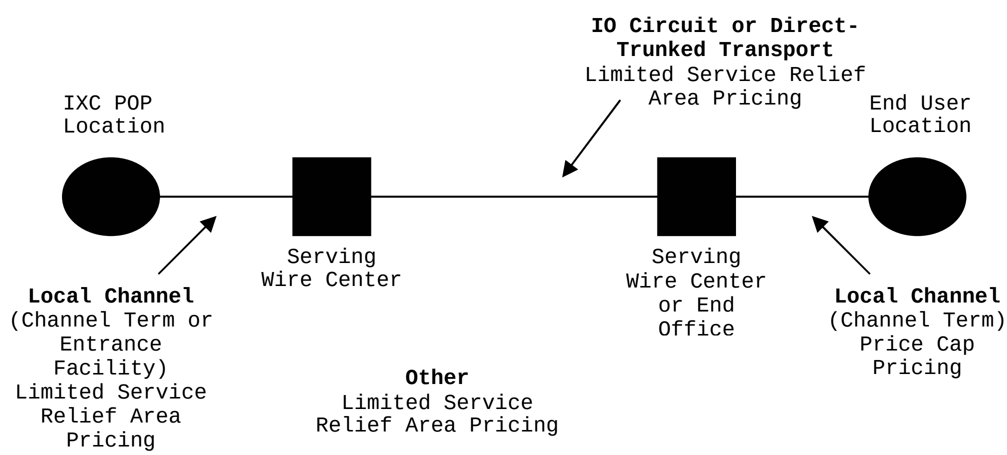

Figure 2 (N)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.4 Rate Regulations (Cont'd)

(C) Figure 3 illustrates a service provided from two MSAs with one MSA located in a Full Service Relief Area and one MSA located in a Limited Service Relief Area. The rates and charges for local channels and optional features located in the Full Service Relief Area are obtained as previously stated in 22.4(A). The rates and charges for local channels and optional features located in the Limited Service Relief Area are obtained as stated in 22.4(B). Interoffice channels between a Full Service Relief Area and a Limited Service Relief Area are rated the same as that of an interoffice channel in a Limited Service Relief Area and rates and charges are obtained as stated in 22.4(B) preceding.

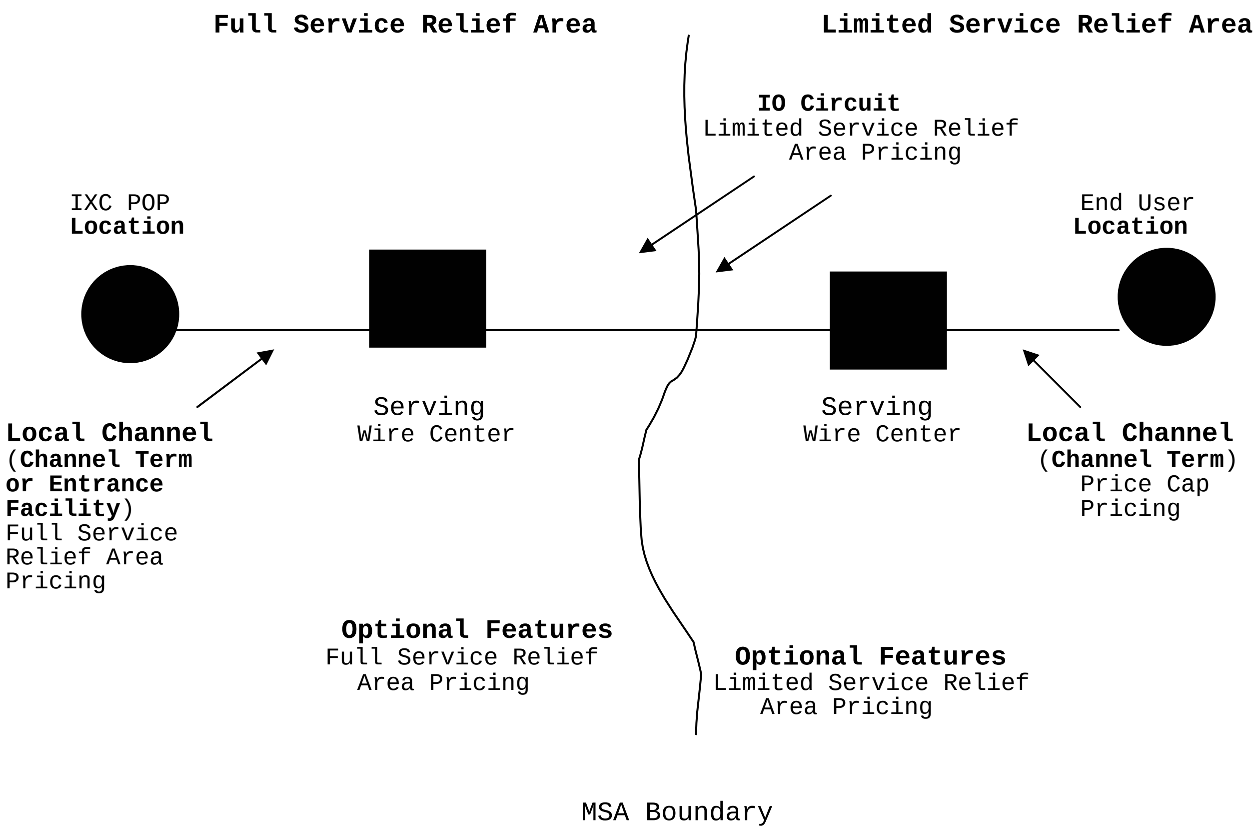

Figure 3 (N)

(This page filed under Transmittal No. 43)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.4 Rate Regulations (Cont'd)

(D) Figure 4 illustrates a service provided from two MSAs with one MSA located in a Full Service Relief Area and one MSA located in a Non-Relief Area. The rates and charges for local channels and optional features located in the Full Service Relief Area are obtained as stated in 22.4(A) preceding.

Interoffice channels between a Full Service Relief Area and a Non-Relief Area are rated the same as that of an interoffice channel in a Non-Relief Area.

Rates and charges for local channels, interoffice channels and optional features in a Non-Relief Area are obtained in Sections 6.8.1(A), 6.8.1(B), 6.8.1(I), Section 7, Section 8, Section 20, Section 21, Section 26 and Section 27 of this Tariff. (N)

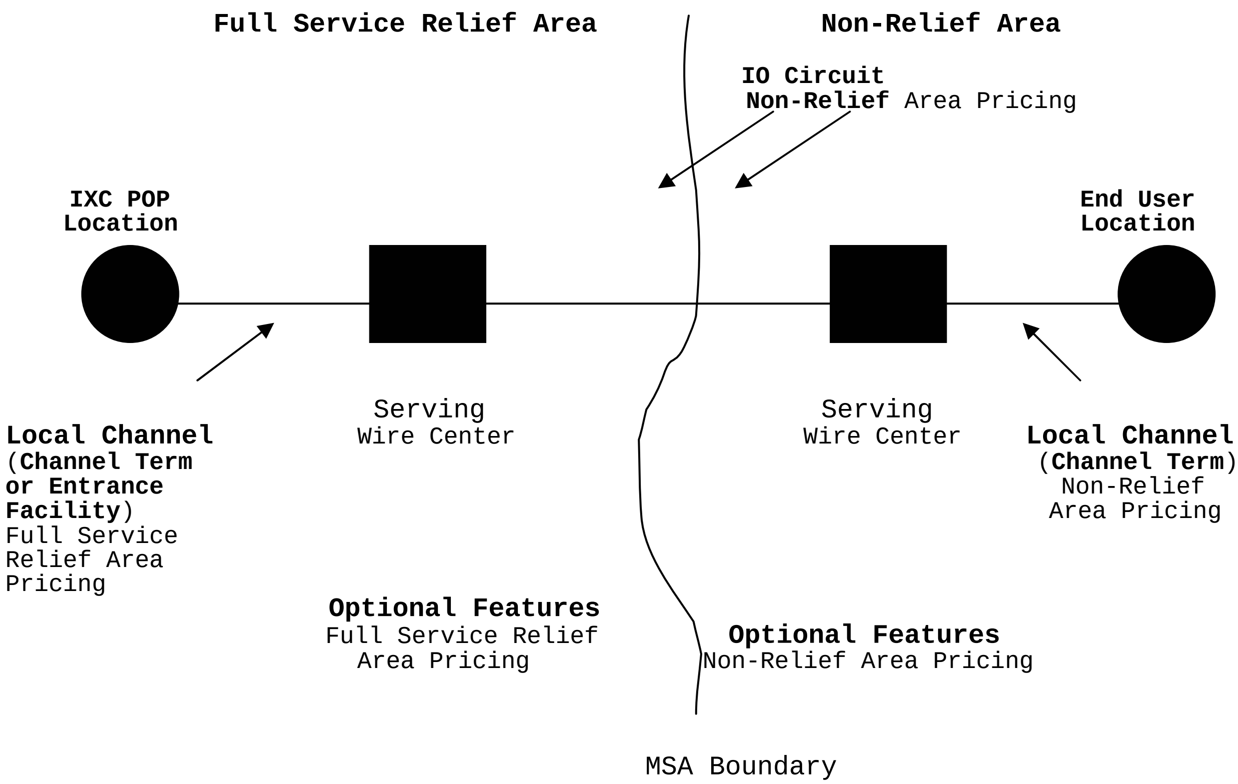

Figure 4

22. Metropolitan Statistical Area Access Services (Cont'd)

22.4 Rate Regulations (Cont'd)

(E) Figure 5 illustrates service provided from two MSAs with one MSA located in a Limited Service Relief Area and one MSA located in a Non-Relief Area. The rates and charges for local channels and optional features located in the Limited Service Relief Area are obtained as stated in 22.4(B) preceding.

Interoffice channels between a Limited Service Relief Area and a Non-Relief Area are rated the same as that of an interoffice channel in a Non-Relief Area.

Rates and charges for local channels, interoffice channels and optional features in a Non-Relief Area are obtained in Sections 6.8.1(A), 6.8.1(B), 6.8.1(I), Section 7, Section 8, Section 20, Section 21, Section 26 and Section 27 of this Tariff. (N)

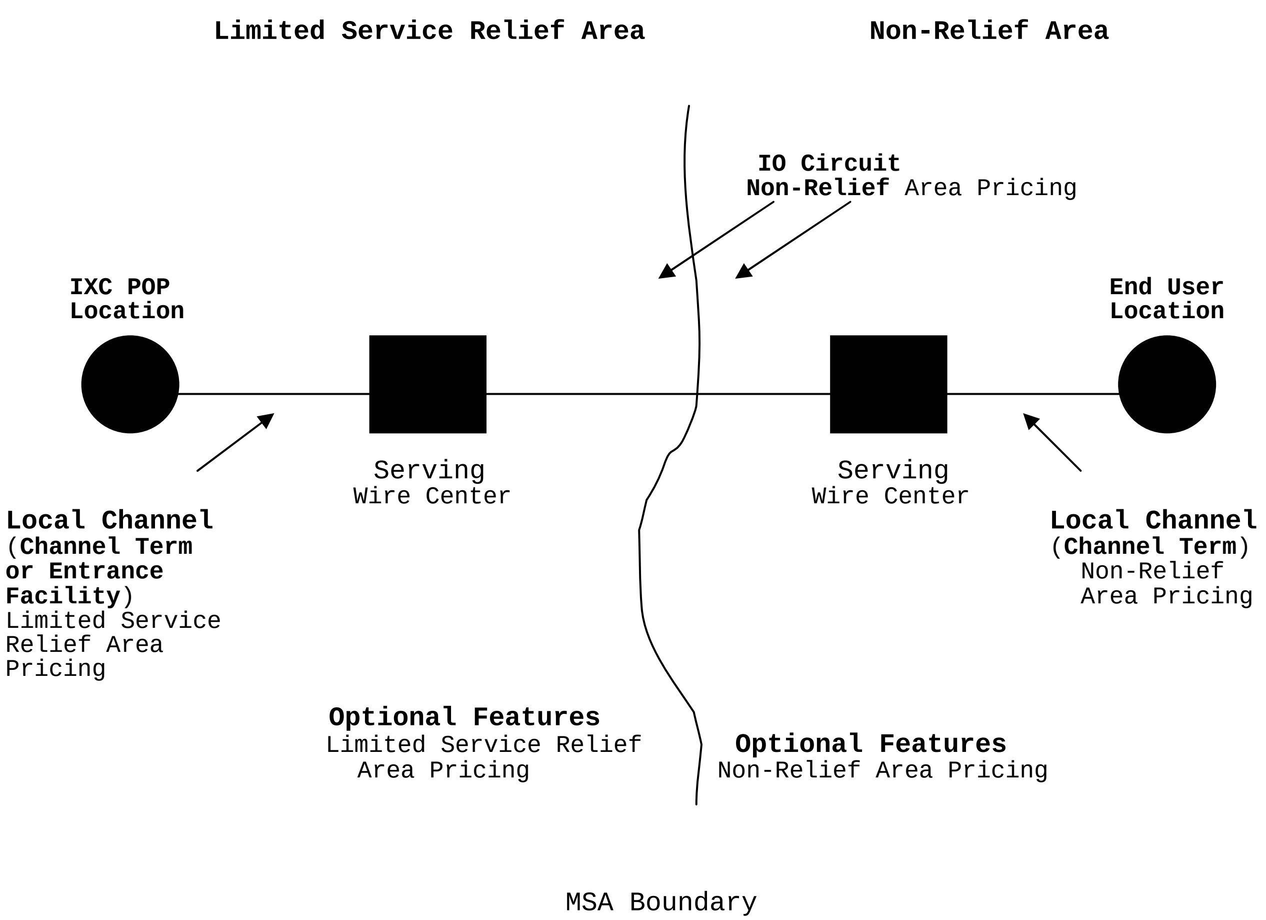

Figure 5

(This page filed under Transmittal No. 118)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.4 Rate Regulations (Cont'd)

(F) Pricing Plans (N)

For the purpose of Metropolitan Statistical Area Access Services, the following plans apply when referring to Pricing Plans:

- Term Pricing Plans (TPP)

The Telephone Company ensures that rates provided under a term pricing plan will not be increased by the Telephone Company above the rates in effect at the beginning of the customer's term pricing plan period.

Customers under their current term pricing plan will continue to pay the rates in effect at the beginning of their plan period until the effective tariff rates in Section 22.5, following become lower than the rates received under their term pricing plan. (N)

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(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges

22.5.1 Switched Access Service/Dedicated Transport

(A) Entrance Facilities

	USOC	Monthly Rates	Nonrecurring Charge
(1) Voice Grade per point of termination	TSW2X	$ 16.04	$ 500.00
	TSW4X	24.68	500.00
(2) DS1 per point of termination	TMESW	100.00	585.66
(3) DS3 per point of termination	Z0MSW	1,560.00	1,950.70

(B) Direct Trunked Transport

	USOC	Monthly Rate Fixed	Monthly Rate Per Mile
(1) Voice Grade per transport channel	1L5SW	$ 8.00	$ .50
(2) DS1 per point of termination	1L5SW	52.00	8.00
(3) DS3 per point of termination	1L5SW	330.00	40.00

(C) Chargeable Optional Features

Multiplexing - per arrangement	USOC	Monthly Rates	Nonrecurring Charge
(1) DS3 to DS1 - per arrangement	MQ3SW	$350.00	None
(2) DS1 to Voice/Digital - per arrangement	MQ1SW	170.00	None

(D) SS7 Interconnection

(1) SS7 Links

	USOC	Monthly Rates	Nonrecurring Charge
- per Link	SL7	$ 11.29	$1,131.17
- per Mile		.70	

(2) STP Port

	USOC	Monthly Rates	Nonrecurring Charge
- per Port	SLPTC	$1,046.00	

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service

22.5.2.1 Voice Grade Service

(A) Channel Termination

	USOC	Monthly Rates	Nonrecurring Charge
- Per Termination			
- Two-Wire	T6E2X	$21.00(I)	$200.00
- Four-Wire	T6E4X	$21.00(I)	$200.00

(B) Channel Mileage

	USOC	Monthly Rate
(1) Channel Mileage Facility - Per Mile	1L5XX/CMF	$0.50
(2) Channel Mileage Termination - Per Termination	1L5XX/CMT	$8.90

(C) Optional Features and Functions

(1) Bridging

(a) Voice Bridging

	USOC	Monthly Rate
Two-Wire/ Four Wire - Per port		
- Two-Wire	BCNV2	$2.72
- Four-Wire	BCNV4	$3.42

(b) Data Bridging

	USOC	Monthly Rate
Two-Wire/ Four-Wire - Per Port		
- Two-Wire	BCND2	$2.72
- Four-Wire	BCND4	$3.42

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(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.1 Voice Grade Service (Cont'd)

(C) Optional Features and Functions (Cont'd)

	USOC	Monthly Rates	Nonrecurring Charge
(2) Conditioning			
- Per Termination			
- C-Type	X1CPT	$ 3.79	None
- Improved Attenuation Distortion*	UHW	5.37	$180.80
- Improved Envelope Delay Distortion*	UHY	26.83	287.06
- Sealing Current	1HBPT	6.97	None
(3) Improved Return Loss for Effective Two-Wire or Four-Wire Transmission			
- Per termination			
- Two-Wire	1RL2W	$ 8.24	None
- Four-Wire	1RL4W	8.20	None
(4) Customer Specified Received Level -Per two-wire termination	RLS	4.61	None
(5) Data Capability - Per termination	XDCPT	5.67	$ 91.27
(6) Telephoto Capability - Per termination	XTCPT	7.40	$377.67

* Improved Attenuation Distortion and Improved Envelope Delay Distortion will continue to be provided to all customers who were provided with either or both of these optional features in conjunction with C-Type Conditioning prior to September 29, 1988.

(N)

(This page filed under Transmittal No. 43)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.2 Program Audio Service

	USOC	Monthly Rate	Daily* Rate	Nonrecurring Charge Monthly	Nonrecurring Charge Daily
(A) Channel Termination					
- Per Termination					
- 200 to 3500 Hz	T6ECS	$23.36	$3.28	$289.75	$289.75
- 100 to 5000 Hz	T6ECS	26.92	3.51	289.75	289.75
- 50 to 8000 Hz	T6ECS	28.41	3.80	289.75	289.75
- 50 to 15000 Hz	T6ECS	106.56	11.24	289.75	289.75
(B) Channel Mileage					
(1) Channel Mileage Facility					
- Per Mile					
- 200 to 3500 Hz	1L5XX/CMF	$0.45	$0.05		
- 100 to 5000 Hz	1L5XX/CMF	$0.90	$0.10		
- 50 to 8000 Hz	1L5XX/CMF	$1.36	$0.15		
- 50 to 15000 Hz	1L5XX/CMF	$2.73	$0.28		
(2) Channel Mileage Termination					
- Per Termination					
- 200 to 3500 Hz	1L5XX/CMT	$ 9.33	$1.05		
- 100 to 5000 Hz	1L5XX/CMT	$15.50	$1.49		
- 50 to 8000 Hz	1L5XX/CMT	$18.97	$1.98		
- 50 to 15000 Hz	1L5XX/CMT	$31.76	$3.34		
(C) Optional Features and Functions					
(1) Gain Conditioning	XGC	$1.67	$.18	$73.25	$73.25

* Daily rates will be topped and maximum rates derived as set forth in 7.2.2.(B) preceding. (N)

(This page filed under Transmittal No. 43)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.3 Video Service

	USOC	Monthly Rate	Daily* Rate	Nonrecurring Charge Monthly	Nonrecurring Charge Daily
(A) Channel Termination					
- Per Termination					
- TV-1 or 2	TMEV1	$544.46	$299.45	$60.42	$60.42
- 4TV-5	TMEV4	$587.92	$323.35	$60.42	$60.42
- 6TV-5	TMEV6	$587.92	$323.35	$60.42	$60.42
- TV-15	TMEV5	$587.92	$323.35	$60.42	$60.42
(B) Channel Mileage					
(1) Channel Mileage Facility					
- Per Mile					
- TV 1 or 2	1L5XX/CMF	$56.25	$30.82		
- 4TV-5	1L5XX/CMF	$56.25	$30.82		
- 6TV-5	1L5XX/CMF	$56.25	$30.82		
- TV-15	1L5XX/CMF	$56.25	$30.82		
(2) Channel Mileage Termination					
- Per Termination					
- TV-1 or 2	1L5XX/CMT	None	None		
- 4TV-5	1L5XX/CMT	None	None		
- 6TV-5	1L5XX/CMT	None	None		
- TV-15	1L5XX/CMT	None	None		

* Daily rates will be topped and maximum rates derived as set forth in 7.2.2.(B) preceding. (N)

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22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.4 Digital Data Service

	USOC	Monthly Rates	Nonrecurring Charge
(A) Channel Termination			
- Per Termination			
- 2.4 kbps	T6ECS	$ 82.00	$250.00
- 4.8 kbps	T6ECS	82.00	250.00
- 9.6 kbps	T6ECS	82.00	250.00
-56.0 kbps	T6ECS	82.00	250.00
-64.0 kbps	T6ECS	82.00	250.00
(B) Channel Mileage			
(1) Channel Mileage Facility			
- Per Mile			
- 2.4 kbps	1L5XX/CMF	$0.95	
- 4.8 kbps	1L5XX/CMF	0.95	
- 9.6 kbps	1L5XX/CMF	0.95	
- 56 kbps	1L5XX/CMF	0.95	
- 64 kbps	1L5XX/CMF	0.95	
(2) Channel Mileage Termination			
- Per Termination			
- 2.4 kbps	1L5XX/CMT	$13.50	
- 4.8 kbps	1L5XX/CMT	13.50	
- 9.6 kbps	1L5XX/CMT	13.50	
- 56 kbps	1L5XX/CMT	13.50	
- 64 kbps	1L5XX/CMT	13.50	
(C) Optional Features and Functions			
(1) Bridging			
- Per port	BCNDA	$16.51	

(N)

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22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.5 High Capacity Service

	USOC	Monthly Rates	Nonrecurring Charge	
(A) Channel Termination (Per Point of Termination)				
- 1.544 Mbps	TMECS	$ 150.00	$ 300.00	
- 3.152 Mbps	TWT++	ICB	ICB	
- 6.312 Mbps	TWT++	ICB	ICB	
-44.736 Mbps(Month-to-Month**)	Z3MAC/TMECS	$2,274.00	$1,500.00	(C)
-44.736 Mbps(Monthly Extension)	Z3MAC/TMECS	$2,274.00	$1,500.00	(N)
-44.736 Mbps(1 Year Plan)	Z3MAC/Z31A+	$1,500.00	$1,000.00	
-44.736 Mbps(3 Year Plan)	Z3MAC/Z33A+	$ 985.00	$ 250.00	
-44.736 Mbps(5 Year Plan)	Z3MAC/Z35A+	$ 900.00	$ 0.00	
-274.176 Mbps	TWT++	ICB	ICB	

(B) Channel Mileage[2]

(1) Channel Mileage Facility (Per Mile)

	USOC	Monthly Rates	
- 1.544 Mbps	IL5XX/CMF	$12.75	
- 3.152 Mbps	CMF	ICB	
- 6.312 Mbps	CMF	ICB	
-44.736 Mbps(Month-to-Month**)	IL5XX/CMF	$45.00	(C)
-44.736 Mbps(Monthly Extension)	IL5XX/CMF	$45.00	(N)
-44.736 Mbps(1 Year Plan)	IL5XX/CMF	$38.00	|
-44.736 Mbps(3 Year Plan)	IL5XX/CMF	$36.50	|
-44.736 Mbps(5 Year Plan)	IL5XX/CMF	$35.00	(N)
-274.176 Mbps	CMF	ICB	

(2) Channel Mileage Termination (Per Termination)

	USOC	Monthly Rates	
-1.544 Mbps	IL5XX/CMF	$ 62.50	
-3.152 Mbps	CMT	ICB	
-6.312 Mbps	CMT	ICB	
-44.736 Mbps(Month-to-Month**)	IL5XX/CMF	$375.00	(C)
-44.736 Mbps(Monthly Extension)	IL5XX/CMF	$375.00	(N)
-44.736 Mbps(1 Year Plan)	IL5XX/CMF	$342.50	|
-44.736 Mbps(3 Year Plan)	IL5XX/CMF	$337.50	|
-44.736 Mbps(5 Year Plan)	IL5XX/CMF	$332.50	(N)
-274.176 Mbps	CMT	ICB	

Note 1: ICB rates and charges are filed in 7.12 following.
Note 2: When the customer orders High Capacity Service as described in 7.11 and 7.11.5.2, preceding, the Channel Mileage Facility must be ordered in conjunction with an associated Channel Termination as described in 7.2.1(A), preceding.
**This option will no longer be available for new circuits provisioned on or after, November 21, 2003. There will be no change to existing circuits. (N)

Material previously appearing on this page now appears on 2nd Revised Page 22-17.

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.5 High Capacity Service (Cont'd)

	USOC	Monthly Rates	Nonrecurring Charge	
(C) Optional Features and Functions				(T)
(1) Multiplexing, per arrangement				(T)
DS4 to DS1	MXA++	ICB		(M)
DS3 to DS1				(M)
Month-to-Month***	MQ3	$475.00		(C)
Monthly Extension	MQ3	$475.00		(N)
1 Year	MQ3	$420.00		
3 Year	MQ3	$410.00		
5 Year	MQ3	$400.00		(N)
DS2 to DS1	MXD++	ICB		(M)
DS1C to DS1	MXH++	ICB		(M)
DS1 to Voice/Digital[1]	MQ1/MQ1++	$275.00		(T)
DS1 to DS0	QMU/QMUA1	$275.00		(M)
DS0 to Subrates				
-Up to 20 2.4 kbps services	QSU24	$175.00		
-Up to 10 4.8 kbps services	QSU48	$175.84		
-Up to 5 9.6 kbps services	QSU96	$124.84		
(2) Multiplexer Cross-Connect - per cross-connect, per central office	1L5TC	$10.00	$80.00	
(3) Transfer Arrangement (dial-up*) - per four port arrangement including control channel termination**	USV	ICB		
(D) DS1/DS3 Rollover				
-per DS1 Channel Termination	NRBR1/NRBRH		$300.00	
-per DS3 Channel Termination	NRBR3		825.00	

[1] A channel of this DS1 to a multiplexing Hub can be used for Digital Data Service or Digital Data Over Voice. (M)

* The Dial-Up option requires the customer to purchase the Controller Arrangement from 13.3.7 following.

** An additional Channel Termination charge will apply whenever a spare channel is configured as a leg to the customer premises. Additional channel mileage charges will also apply when the transfer arrangement is not located in the customer premises serving wire center

***This option will no longer be available for new circuits provisioned on or after, November 21, 2003. There will be no change to existing circuits. (N)

Certain material appearing on this page previously appeared on 1st Revised Page 22-16.
Material previously appearing on this page now appears on Original Page 22-17.1.

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.5 High Capacity Service (Cont'd) (N)

(E) Collocation Transport (M)

	USOC	Monthly Rate Fixed	Monthly Rate Per Mile	Nonrecurring Charges 1st Ckt.	Nonrecurring Charges Addl Ckt.
1.544 Mbps	(1H48S)	$54.70	$9.00	$300.00	$300.00

	USOC	Monthly Rate Fixed	Monthly Rate Per Mile	Nonrecurring Charges 1st Ckt.	Nonrecurring Charges Addl Ckt.	
44.736 Mbps	(1H48S)					(M)
Month-to-Month*		$375.00	$45.00	$1,500.00	$1,500.00	(C)
Monthly Extension		$375.00	$45.00			(N)
1 Year		$342.50	$38.00	$1,000.00	$1,000.00	
3 Year		$337.50	$36.50	$0.00	$0.00	
5 Year		$332.50	$35.00	$0.00	$0.00	(N)

*This option will no longer be available for new circuits provisioned on or after, (N)
November 21, 2003. There will be no change to existing circuits. (N)

Certain material appearing on this page previously appeared on 1st Revised Page 22-17.

(This page filed under Transmittal No. 55)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

2.5.2 Special Access Service (Cont'd)

22.5.2.6 DS1 Term Payment Plan

	USOC	1 Year	2 Year	3 Year	5 Year	7 Year
(a) Channel Termination - Per Point of Termination	TMECS	$140.00	$132.50	$115.00	$105.00	$100.00
(b) Channel Mileage - Channel Mileage Termination (per termination)	1L5XX	$55.00	$45.00	$40.00	$35.00	$32.50
- Channel Mileage Facility (per mile)	1L5XX	$12.25	$12.00	$9.25	$8.50	$8.25
(c) Central Office Multiplexing DS1 to DS0 voice/digital -Per arrangement	MQ1, MQ1++, QMUA1, QMU,QMU++	$260.00	$190.00	$170.00	$160.00	$150.00
(d) Collocation Transport -Channel Mileage - Fixed	1H48S	$50.00	$45.00	$40.00	$35.00	$32.50
– Per Mile	1H48S	$9.00	$9.00	$8.75	$8.50	$8.25

(e) Nonrecurring Charges	USOC	Rate
-One Time Charges		
-Per point of channel termination		
-Channel Termination	TMECS	$900.00
-Collocation Transport	1H48S	$900.00

NOTE: Channel Termination Nonrecurring Charges and Collocation Transport Nonrecurring Charges are waived on new installations of DS1 High Capacity Service with a 2, 3, 5, or 7 year DS1 TPP. (N)

22. Metropolitan Statistical Access Area Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Services (Cont'd)

22.5.2.7 Gigabit Ethernet Metropolitan Area Network (GigaMAN®) (T)

(A) Recurring Charges

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	36 Mo.	60 Mo.	NRC	
(1) Local Distribution Channel							(N)
- Per Point of Termination Terminating Bit Rate 1 Gbps - All States	TMECS	$3,800.00	$3,300.00	$2,850.00	$2,500.00		
(2) Interoffice Transport Mileage - Fixed - All States	1L5XX	$250.00	$250.00	$200.00	$100.00		
- Per Mile 1 Gbps - All States	1L5XX	$125.00	$125.00	$100.00	$75.00		
(3) Repeater -each	VU4	$2,500.00	$2,400.00	$1,150.00	$850.00		(N)
(4) Diversity Options							
Local Channel Diversity -Per Channel Terminating Bit Rate 1 Gbps -All States	CPALX	$750.00	$750.00	$750.00	$750.00	0.00	
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 1 Gbps -All States	CPATX	$500.00	$500.00	$500.00	$500.00	0.00	
Alternate Wire Center Diversity -Per Channel Termination bit Rat 1 Gbps -All States	CPAAX	$1,200.00	$1,200.00	$1,200.00	$1,200.00	0.00	(N)

Certain material previously appearing on this page now appears on 2nd Revised Page 22-19.1.

(This page filed under Transmittal No. 56)

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22. Metropolitan Statistical Access Area Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Services (Cont'd)

22.5.2.7 Gigabit Ethernet Metropolitan Area Network (GigaMAN®)

(A) Recurring Charges (Cont'd)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	36 Mo.	60 Mo.	NRC	
(5) Protection – per GigaMAN® service arranged							(N)
-Equipment Only Protection, per terminating end	CPAEX	1,500.00	$1,375.00	1,050.00	900.00	$625.00	
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	2,460.00	2,050.00	1,600.00	1,400.00	1,400.00	
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	2,190.00	1,825.00	1,425.00	1,225.00	1,225.00	
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	475.00	$375.00	150.00	100.00	625.00	
-Power Protection[1]	VBBGX	700.00	625.00	480.00	435.00	475.00	(N)

[1] Power protection rate elements are applicable as set forth in 7.3.11(C)(4) preceding.

Material previously appearing on this page now appears on Original Page 22-19.2.

(This page filed under Transmittal No. 90)

ACCESS SERVICE

22. Metropolitan Statistical Access Area Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Services (Cont’d)

22.5.2.7 Gigabit Ethernet Metropolitan Area Network (GigaMAN®) (Cont’d) (N)

(B) Installation and Rearrangement Charges (M)

All States

	USOC	12 Months	36 Months	60 Months	
(1) Administrative Charge per Order	ORCMX	$60.00	$60.00	$60.00	
(2) Design Central Office Connection Charge per circuit	NRMCK	$230.00	$230.00	$230.00	(M) (N)
(3) Customer Connection Charge per termination	NRBBL	$1,500.00	$1,500.00	$1,500.00	(M) (M) (M)

Material appearing on this page previously appeared on 2nd Revised Page 22-19.1.

(This page filed under Transmittal No. 90)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.8 Multi-service Optical Network (MON) Ring Service

(A) Nonrecurring Charges	USOC	Nonrecurring Charge
(1) Administrative Charge - per customer order	ORCMX	$125.00
(2) Design and Central Office Connection Charge - per network and per riding circuit	NRMCK	600.00
(3) Customer Connection Charge (Service Establishment) - per node	NRBBL	7,500.00
(4) Customer Connection Charge (Subsequent Installation) - per subsequent shelf	NHCNL	1,000.00

(B) Recurring Charges	USOC	Monthly Rates 3 Year	5 Year	Monthly Extension	
(1) Customer Premises Node (includes first shelf)	F2ND1	$7,800.00	$6,240.00	$10,920.00	
(2) Customer Premises Node - per subsequent shelf	F2NDS	5,850.00	4,680.00	8,190.00	
(3) Central Office Node (includes first shelf)	F2NC1	7,800.00	6,240.00	10,920.00	
(4) Central Office Node - per subsequent shelf	F2NCS	5,850.00	4,680.00	8,190.00	
(5) Channel Mileage - per V-H mile or fraction thereof (2 mile min.)	1YAZX	325.00	260.00	455.00	(T)
(6) Optical Amplifier					
- C band (per location)	67QXX	5,400.00	3,600.00	7,600.00	
- L band (per location)	67QSX	5,400.00	3,600.00	7,600.00	
(7) Regenerator –(as required)					
-up to 2.5 Gbps (per shelf)	V8RXX	7,500.00	5,000.00	10,500.00	
-up to 10 Gbps (per circuit)	V8R2C	15,000.00	10,000.00	21,000.00	

(This page filed under Transmittal No. 98)

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.8 Multi-service Optical Network (MON) Ring Service (Cont'd)

(B) Recurring Charges (Cont'd)	USOC	Monthly Rates 3 Year	5 Year	Monthly Extension
(8) Bulk Power -per first shelf, for shelves 1 thru 4	CBVDX	2,000.00	1,600.00	2,600.00
(9) Bulk Power -per fifth subsequent shelf for shelves 5 thru 8	CBVDS	1,600.00	1,300.00	2,100.00

(C) Ports

-per port/per circuit terminating location

	USOC	3 Year	5 Year	Monthly Extension
(1) ETR™/1/ - unprotected channel	POYKW	$975.00	$750.00	$1,400.00
(2) FICON™/1/ (1.0625 Gbps) - unprotected channel	POYMW	975.00	750.00	1,400.00
- protected channel	POYMP	1,950.00	1,500.00	2,800.00
(3) FICON™/1/ (2.125 Gbps) - unprotected channel	POYWW	1,700.00	1,300.00	2,400.00
- protected channel	POYWP	3,400.00	2,600.00	4,800.00
(4) ISC™/1/ - unprotected channel	POYJW	3,250.00	1,250.00	4,600.00
(5) Fibre Channel (1.0625 Gbps) - unprotected channel	POYNW	1,200.00	900.00	1,700.00
- protected channel	POYNP	2,400.00	1,800.00	3,400.00

/1/ ESCON™, ETR™, FICON™, ISC™ and GDPS™ are registered trademarks of the International Business Machines (IBM) Corporation, Armonk, NY 10504

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.8 Multi-service Optical Network (MON) Ring Service (Cont'd)

(C) Ports (Cont'd)	USOC	Monthly Rates 3 Year	Monthly Rates 5 Year	Monthly Extension
-per port/per circuit terminating location				
(6) Fibre Channel (2.125 Gbps)				
- unprotected channel	POYYW	$1,700.00	$1,300.00	$2,400.00
- protected channel	POYYP	3,400.00	2,600.00	4,800.00
(7) Gigabit Ethernet				
- unprotected channel	POYLW	1,200.00	900.00	1,700.00
- protected channel	POYLP	2,400.00	1,800.00	3,400.00
(8) 10 Gigabit Ethernet (WAN-PHY)				
- unprotected channel	POYTW	15,000.00	12,500.00	21,000.00
- protected channel	POYTP	20,000.00	16,700.00	28,000.00
(9) SONET OC-12/OC-12c				
- unprotected channel	POYFW	1,300.00	1,000.00	1,900.00
- protect channel	POYFP	2,600.00	2,000.00	3,700.00
(10) SONET OC-48/48c				
- unprotected channel	POYGW	4,400.00	3,700.00	6,000.00
- protected channel	POYGP	6,600.00	5,560.00	9,000.00
(11) SONET OC-192/192c				
- unprotected channel	POYOW	15,000.00	12,500.00	21,000.00 (N)
- protected channel	POYOP	20,000.00	16,700.00	28,000.00

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.8 Multi-service Optical Network (MON) Ring Service (Cont'd)

(C) Ports (Cont'd)	USOC	Monthly Rates 3 Year	Monthly Rates 5 Year	Monthly Extension
-per port/per circuit terminating location				
(12) Sub-Rate System				
- unprotected channel	POYSW	$1,300.00	$1,000.00	$1,900.00
- protected channel	POYSP	2,600.00	2,000.00	3,700.00
(13) ESCON™/1/*				
- unprotected channel	POYHW	100.00	100.00	150.00
- protected channel	POYHP	100.00	100.00	150.00
(14) Fast Ethernet*				
- unprotected channel	POYCW	325.00	250.00	500.00
- protected channel	POYCP	500.00	400.00	800.00
(15) D1 Video*				
- unprotected channel	POYVW	100.00	100.00	150.00
- protected channel	POYVP	100.00	100.00	150.00
(16) SONET OC-3/OC-3c*				
- unprotected channel	POYEW	100.00	100.00	150.00
- protected channel	POYEP	100.00	100.00	150.00

/1/ ESCON™, ETR™, FICON™, ISC™ and GDPS™ are registered trademarks of the International Business Machines (IBM) Corporation, Armonk, NY 10504

*Available only when ordered with sub-rate system. (N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service*

(A) OC-3

(1) Channel Termination
– per BCS Circuit, per Customer Premises

Volume Option	USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
	T6XBX/T6XB+	$4,200	$2,930	$1,700	$2,000	$1,000	$0
2 plus	T6XEX/T6XE+	n/a	$2,635	$1,670	n/a	$750	$0

(2) Mileage
– per BCS Circuit

(a) Fixed

USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
1HYBS/1HYB+	$1,600	$1,400	$1,000	$0	$0	$0

(b) Per Mile

USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
1HYBS/1HYB+	$193	$154	$110	$0	$0	$0

(3) Optional Features

(a) Equipment Protection
Per Channel Termination,
per Customer Premises

USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
APPBX/APPB+	$195	$195	$195	$150	$75	$0

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(This page filed under Transmittal No. 43)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(A) OC-3 (Cont'd)

(3) Optional Features (Cont'd)

(b) Loop Redundancy
Per Channel Termination,
per Customer Premises

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
DVDLX/DVDL+	$390	$390	$390	$600	$300	$0

(c) Central Office Multiplexing

(1) Central Office Multiplexing System Arrangement

- Per OC-3 System Arrangement

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
MXNBX/MXNB+	$1,800	$1,200	$950	$600	$300	$0

(2) Central Office Multiplexing Ports

- Per Port

(a) DS-1 Port

		Monthly Rate			Nonrecurring Charges		
	USOC	1 year	3 year	5 year	1 year	3 year	5 year
Initial Order:	PYVP1/PYVP+	$60	$60	$60	$300	$150	$0
Modification:	NRMBA/NRMB+	$60	$60	$60	$300	$150	$150

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(N)

ACCESS SERVICE

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(A) OC-3 (Cont'd)

(3) Optional Features (Cont'd)

(c) Central Office Multiplexing (Cont'd)

(2) Central Office Multiplexing Ports

(b) DS-3 Port

	USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
Initial Order:	PYVP3/PYVP+	$150	$150	$150	$600	$300	$0
Modification:	NRMBB/NRMB+	$150	$150	$150	$600	$300	$300

(4) Service-to-Service Through Connect Arrangement (OC-3)

USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
THA	$0	$0	$0	$300	$300	$300

(5) Moves (OC-3)

(a) Service Facility Move

USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
NRMBS	$0	$0	$0	$650	$650	$650

(b) Moves of Point of Termination

See Section 13, preceding for rates and charges.

(c) Moving Customer Premises

See Section 13, preceding for rates and charges.

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(N)

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(A) OC-3 (Cont'd)

(6) Collocation Transport

	USOC	Monthly Rate Fixed	Monthly Rate Per Mile	Nonrecurring Charges
BCS Circuit	(1H48S)			
1 Year		$1,600	$193	$3,000
3 Year		$1,400	$154	$1,500
5 Year		$1,150	$110	$ 0

(7) Interconnect Arrangement with Other Special Access Services OC-3 Cross-Connect

	USOC	Monthly Rate	Nonrecurring Charges
Cross-Connect	(THA)		
1 Year		$0	$300
3 Year		$0	$300
5 Year		$0	$300

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(N)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(B) OC-12

(1) Channel Termination

– per BCS Circuit, per Customer Premises

Volume		Monthly Rate			Nonrecurring Charges		
Option	USOC	1 year	3 year	5 year	1 year	3 year	5 year
	T6XBX/T6XB+	$9,900	$8,460	$5,445	$5,000	$2,500	$0
2 plus	T6XEX/T6XE+	n/a	$7,610	$4,320	n/a	$2,500	$0

(2) Mileage

– per BCS Circuit

(a) Fixed

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
1HYBS/1HYB+	$7,100	$6,500	$5,800	$0	$0	$0

(b) Per Mile

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
1HYBS/1HYB+	$330	$275	$200	$0	$0	$0

(3) Optional Features

(a) Equipment Protection

- Per Channel Termination, per Customer Premises

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
APPBX/APPB+	$300	$300	$300	$360	$180	$0

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22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(B) OC-12 (Cont'd)

(3) Optional Features (Cont'd)

(b) Loop Redundancy

- Per Channel Termination, per Customer Premises

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
DVDLX/DVDL+	$590	$590	$590	$720	$360	$0

(c) Central Office Multiplexing

(1) Central Office Multiplexing System Arrangement

- Per OC-12 System Arrangement

	Monthly Rate			Nonrecurring Charges		
USOC	1 year	3 year	5 year	1 year	3 year	5 year
MXNBX/MXNB+	$3,750	$2,500	$1,900	$1,000	$500	$0

(2) Central Office Multiplexing Ports

- Per Port

(a) DS3 Port

		Monthly Rate			Nonrecurring Charges		
	USOC	1 year	3 year	5 year	1 year	3 year	5 year
Initial Order:	PYVP3/PYVP+	$150	$150	$150	$600	$300	$0
Modification:	NRMBB/NRMB+	$150	$150	$150	$600	$300	$300

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(B) OC-12 (Cont'd)

(3) Optional Features (Cont'd)

(c) Central Office Multiplexing (Cont'd)

(2) Central Office Multiplexing Ports (Cont'd)

- Per Port

(b) OC-3 Port

	USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
Initial Order:	PYVPC/PYVP+	$180	$180	$180	$600	$300	$0
Modification:	NRMBD/NRMB+	$180	$180	$180	$600	$300	$300

(c) OC-3c Port

	USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
Initial Order:	PYVPO/PYVP+	$180	$180	$180	$600	$300	$0
Modification:	NRMBE/NRMB+	$180	$180	$180	$600	$300	$300

(4) Service-to-Service Through Connect Arrangement (OC-12)

USOC	Monthly Rate 1 year	3 year	5 year	Nonrecurring Charges 1 year	3 year	5 year
THA	$0	$0	$0	$300	$300	$300

*Effective, January 11, 2002, BCS will no longer be available to customers. Grandfathered BCS Customers will maintain their existing service arrangement until their contract expires unless they choose to convert to another service. No changes to existing BCS service arrangements will be permitted, nor will any renewals be allowed. (N)

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(B) OC-12 (Cont'd)

(5) Moves

(a) Service Facility Move (OC-12)

USOC	Monthly Rate 1 year	Monthly Rate 3 year	Monthly Rate 5 year	Nonrecurring Charges 1 year	Nonrecurring Charges 3 year	Nonrecurring Charges 5 year
NRMBS	$0	$0	$0	$650	$650	$650

(b) Moves of Point of Termination

See Section 13, preceding for rates and charges.

(c) Moving Customer Premises

See Section 13, preceding for rates and charges.

(6) STS-1 Channel Reconfiguration Charge

USOC	Monthly Rate 1 year	Monthly Rate 3 year	Monthly Rate 5 year	Nonrecurring Charges 1 year	Nonrecurring Charges 3 year	Nonrecurring Charges 5 year
NRMBF	$0	$0	$0	$600	$600	$600

(7) Collocation Transport

BCS Circuit	USOC (1H48S)	Monthly Rate Fixed	Monthly Rate Per Mile	Nonrecurring Charges
1 Year		$7,100	$330	$5,000
3 Year		$6,500	$275	$2,500
5 Year		$5,800	$200	$0

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.9 Broadband Circuit Service* (Cont'd)

(B) OC-12 (Cont'd)

(8) Interconnect Arrangement with Other Special Access Services OC-12 Cross-Connect

	USOC	Monthly Rate	Nonrecurring Charge
Cross-Connect	(THA)		
1 Year		$0	$300
3 Year		$0	$300
5 Year		$0	$300

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22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service

(A) OC-3/OC-3c

(1) Local Distribution Channel

-Per Point of Termination	USOC	1 Year	3 year	5 year	Mo. Ext.
	TMECS	$2,100.00	$1,700.00	$1,300.00	$2,275.00

(2) Interoffice Transport

-Mileage	USOC	1 Year	3 year	5 year	Mo. Ext.
-Fixed	1L5XX	$1,100.00	$975.00	$886.00	$1,550.00
-Per Mile	1L5XX	$260.00	$260.00	$220.00	$350.00

(3) Collocation Transport—Transport Facilities between Collocation Arrangements

	USOC	1 Year	3 year	5 year	Mo. Ext.
-Fixed	1H48S	$1,800.00	$1,600.00	$1,400.00	$2,000.00
-Per Mile	1H48S	$260.00	$260.00	$220.00	$350.00

(4) Optional Features and Functions

(a) OC-3 Add/Drop Multiplexing—Per Arrangement*

USOC	1 Year	3 year	5 year	Mo. Ext.
MPECX	$1,500.00	$1,200.00	$950.00	$1,650.00

(b) Add/Drop Function—Per DS-3

USOC	Monthly	Nonrecurring Charge
MXJBX	$150.00	$0

(N)

* Concatenated services cannot be multiplexed.

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(A) OC-3/OC-3c (Cont'd)

	USOC	Monthly	Nonrecurring Charge
(4) Optional Features and Functions (Cont'd)			
(b) Add/Drop Function (Cont'd) -Per DS1	MXJAX	$55.00	$0
(c) 1+1 Protection -Per OC-3/OC-3c Local Distribution Channel	P8T	$180.00	$0
(d) 1+1 Protection with Cable Survivability -Per OC-3/OC-3c Local Distribution Channel	P3S	$180.00	$500.00
(e) 1+1 Protection with Route Survivability -Per OC-3/OC-3c Local Distribution Channel	P8T	(Apply P8T rate above, plus Per Quarter Route Mile below) (P8T + S2DXY)	
-Per Quarter Route Mile	S2DXY	$50.00	$0

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(A) OC-3/OC-3c (Cont'd)

	USOC	Monthly	Nonrecurring Charge	
(4) Optional Features and Functions (Cont'd)				
(f) Shared Network Arrangement -Processing Charge per Service Order	NRBOP	$0	$30.00	
(g) 1+1 Protection with Diversity[1]				(N)
-Per OC-3/OC-3c Local Distribution	P8T	(Apply P8T rate above, plus Per Quarter Route Mile below) (P8T + S2DXY)		
-Per Quarter Route Mile	S2DXY	$50.00	$0	
-Per OC-3/OC-3c	CPAPA	$200.00	$0	(N)

(5) Moves (OC-3/OC-3c)

(a) Service Rearrangement

See Section 7.2.4, preceding for rates and charges.

(b) Moves of Point of Termination

See Section 13.4, preceding for rates and charges.

(c) Moving Customer Premises

See Section 7.2.7, preceding for rates and charges.

[1] The 1+1 Protection with Route Survivability is required for each end of the second service. (N)
(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(B) OC-12/OC-12c

(1) Local Distribution Channel

	USOC	1 Year	3 year	5 year	Mo. Ext.
-Per Point of Termination	TMECS	$4,800.00	$4,000.00	$3,000.00	$5,250.00

(2) Interoffice Transport

-Mileage	USOC	1 Year	3 year	5 year	Mo. Ext.
-Fixed	1L5XX	$3,600.00	$2,925.00	$2,250.00	$4,100.00
-Per Mile	1L5XX	$260.00	$260.00	$220.00	$350.00

(3) Collocation Transport—Transport Facilities between Collocation Arrangements

	USOC	1 Year	3 year	5 year	Mo. Ext.
-Fixed	1H48S	$5,200.00	$4,500.00	$4,000.00	$5,600.00
-Per Mile	1H48S	$260.00	$420.00	$400.00	$600.00

(4) Optional Features and Functions

(a) OC-12 Add/Drop Multiplexing—Per Arrangement*

USOC	1 Year	3 year	5 year	Mo. Ext.
MPEDX	$3,200.00	$2,800.00	$2,100.00	$3,575.00

(b) Add/Drop Function—Per OC-3

USOC	Monthly	Nonrecurring Charge
MXJCX	$250.00	$0

* Concatenated services cannot be multiplexed. (N)

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(B) OC-12/OC-12c (Cont'd)

	USOC	Monthly	Nonrecurring Charges
(4) Optional Features and Functions (Cont'd)			
(b) Add/Drop Function (Cont'd) -Per DS3	MXJBX	$150.00	$0
(c) 1+1 Protection -Per OC-12/OC-12c Local Distribution Channel	P8T	$260.00	$0
(d) 1+1 Protection with Cable Survivability -Per OC-12/OC-12c Local Distribution Channel	P3S	$260.00	$600.00
(e) 1+1 Protection with Route Survivability -Per OC-12/OC-12c Local Distribution Channel	P8T	(Apply P8T rate above, plus Per Quarter Route Mile below) (P8T + S2DXY)	
-Per Quarter Route Mile	S2DXY	$100.00	$0

(N)

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22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(B) OC-12/OC-12c (Cont'd)

	USOC	Monthly	Nonrecurring Charge	
(4) Optional Features and Functions (Cont'd)				
(f) Shared Network Arrangement -Processing Charge per Service Order	NRBOP	$0	$30.00	
(g) 1+1 Protection with Diversity[1]				(N)
-Per OC-12/OC-12c Local Distribution	P8T	(Apply P8T rate above, plus Per Quarter Route Mile below) (P8T + S2DXY)		
-Per Quarter Route Mile	S2DXY	$100.00	$0	
-Per OC-12/OC-12c	CPAPB	$300.00	$0	(N)

(5) Moves (OC-12/OC-12c)

(a) Service Rearrangements

See Section 7.2.4, preceding for rates and charges.

(b) Moves of Point of Termination

See Section 13.4, preceding for rates and charges.

(c) Moving Customer Premises

See Section 7.2.7, preceding for rates and charges.

[1] The 1+1 Protection with Route Survivability is required for each end of the second service. (N)
(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(C) OC-48/OC-48c

(1) Local Distribution Channel

Per Point of Termination	USOC	1 Year	3 year	5 year	Mo. Ext.
	TMECS	$11,400.00	$9,800.00	$7,000.00	$12,250.00

(2) Interoffice Transport

-Mileage	USOC	1 Year	3 year	5 year	Mo. Ext.
-Fixed	1L5XX	$6,700.00	$5,625.00	$4,500.00	$7,875.00
-Per Mile	1L5XX	$300.00	$260.00	$220.00	$350.00

(3) Collocation Transport—Transport Facilities between Collocation Arrangements

	USOC	1 Year	3 year	5 year	Mo. Ext.
-Fixed	1H48S	$13,000.00	$11,700.00	$10,400.00	$14,500.00
-Per Mile	1H48S	$260.00	$520.00	$440.00	$650.00

(4) Optional Features and Functions

(a) OC-48 Add/Drop Multiplexing—Per Arrangement*

USOC	1 Year	3 year	5 year	Mo. Ext.
MXRFX	$5,550.00	$4,625.00	$3,700.00	$6,375.00

(b) Add/Drop Function—Per OC-3

USOC	Monthly	Nonrecurring Charge
MXJEX	$625.00	$0

(N)

* Concatenated services cannot be multiplexed.

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(C) OC-48/OC-48c (Cont'd)

	USOC	Monthly	Nonrecurring Charge
(4) Optional Features and Functions (Cont'd)			
(b) Add/Drop Function (Cont'd) -Per OC-3	MXJCX	$250.00	$0
-Per DS3	MXJBX	$150.00	$0
(c) 1+1 Protection -Per OC-48/OC-48c Local Distribution Channel	P8T	$1,410.00	$0
(d) 1+1 Protection with Cable Survivability -Per OC-48/OC-48c Local Distribution Channel	P3S	$1,410.00	$700.00
(e) 1+1 Protection with Route Survivability -Per OC-48/OC-48c Local Distribution Channel	P8T	(Apply P8T rate above, plus Per Quarter Route Mile below) (P8T + S2DXY)	
-Per Quarter Route Mile	S2DXY	$125.00	$0

(N)

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22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(C) OC-48/OC-48c (Cont'd)

	USOC	Monthly	Nonrecurring Charge	
(4) Optional Features and Functions (Cont'd)				
(f) Point-to-Point OC-48 Regenerator -each	RGY48	$5,500.00	$0	
(g) Shared Network Arrangement -Processing Charge per Service Order	NRBOP	$0	$30.00	
(h) 1+1 Protection with Diversity[1]				(N)
-Per OC-48/OC-48c Local Distribution	P8T	(Apply P8T rate above, plus Per Quarter Route Mile below) (P8T + S2DXY)		
-Per Quarter Route Mile	S2DXY	$125.00	$0	
-Per OC-48/OC-48c	CPAPC	$700.00	$0	(N)

(5) Moves (OC-48/OC-48c)

(a) Service Rearrangement

See Section 7.2.2, preceding for rates and charges.

(b) Moves of Point of Termination

See Section 7.2.3, preceding for rates and charges.

(c) Moving Customer Premises

See Section 7.2.3, preceding for rates and charges.

[1] The 1+1 Protection with Route Survivability is required for each end of the second service. (N)

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(D) OC-192/OC-192c (N)

	USOC	3 year	5 year	Mo. Ext.
(1) Local Distribution Channel –Per Point of Termination	TMECS	$29,400.00	$21,000.00	$36,000.00
(2) Interoffice Transport -Mileage -Fixed	1L5XX	$16,875.00	$13,500.00	$23,625.00
-Per Mile	1L5XX	$360.00	$300.00	$450.00
(3) Collocation Transport -Transport Facilities between Collocation Arrangements -Fixed	1H48S	$16,875.00	$13,500.00	$23,625.00
-Per Mile	1H48S	$360.00	$300.00	$450.00
(4) Optional Features and Functions				
(a) OC-192 Add/Drop Multiplexing* -Per Arrangement	MXRGX	$12,000.00	$9,600.00	$16,800.00

	USOC	Monthly	Nonrecurring Charge
(b) Add/Drop Function -per OC-48	MXJFX	$1,800.00	$0

*Concatenated services cannot be multiplexed.

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(D) OC-192/OC-192c (Cont'd) (N)

	USOC	Monthly	Nonrecurring Charge	
(4) Optional Feature and Functions (Cont'd)				
(b) Add/Drop Function (Cont'd)				
-Per OC-12	MXJEX	$625.00	$0	
-Per OC-3	MXJCX	$250.00	$0	
(c) 1+1 Protection -Per OC-192/OC-192c Local Distribution Channel	P8T	$2,700.00	$0	(N)
(d) 1+1 Protection with Cable Survivability -Per OC-192/OC-192c Local Distribution Channel	P3S	$2,700.00	$800.00	(N)
(e) 1+1 Protection with Route Survivability -Per OC-192/OC-192c Local Distribution Channel	P8T plus	(Apply P8T rate above, Per Quarter Route Mile below) (P8T + S2DXY)		(N)
-Per Quarter Route Mile	S2DXY	$150.00	$0	
(f) Point-to-Point OC-192 Regenerator				
-each	RGY	$11,000.00	$0	
(g) 1+1 Protection with Diversity[1] -Per OC-192/OC-192c Local Distribution	P8T plus	(Apply P8T rate above, Per Quarter Route Mile below) (P8T + S2DXY)		(N)
-Per Quarter Route Mile	S2DXY	$150.00	$0	
-Per OC-192/OC-192c	CPAPD	$1200.00	$0	(N)

(1) The 1+1 Protection with Route Survivability is required for each end of the second service.

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.10 Optical Carrier Network (OCN) Point-to-Point Service (Cont'd)

(D) OC-192 (Cont'd)

(5) Moves (OC-192)

(a) Service Rearrangement

See Section 7.2.2, preceding for rates and charges.

(b) Moves of Point of Termination

See Section 7.2.3, preceding for rates and charges.

(c) Moving Customer Premises

See Section 7.2.3, preceding for rates and charges.

(E) Installation and Rearrangement Charges

	Administrative Charge, per Order	Design and Central Office Connection Charge, per circuit	Customer Connection, Charge, per termination	
USOC	ORCMX	NRMCK	NRBBL	(T)
OC-3/OC-3c	$60.00	$ 375.00	$450.00	
OC-12/OC-12c	60.00	375.00	450.00	
OC-48/OC-48c	60.00	500.00	600.00	
OC-192/OC-192c	60.00	2,250.00	600.00	

22. Metropolitan Statistical Area Access Services (Cont’d) (N)

22.5 Rates and Charges (Cont’d)

22.5.2 Special Access Service (Cont’d)

22.5.2.11 Fractional DS1 Service - 128, 256, 384, 512, and 768 Kbps

(A) Channel Termination
- Per Point of Termination TMECS

	Recurring Charges	Nonrecurring Charges 1st CKT	Addl CKT
MTM	$150.00	$900.00	$900.00
3 Year	$115.00	$900.00	$900.00
5 Year	$105.00	$900.00	$900.00

(B) Channel Mileage
- Fixed

USOC	MTM	3 Year	5 Year
1L5XX	$50.00	$39.00	$34.00

Channel Mileage
- Per Mile

USOC	MTM	3 Year	5 Year
1L5XX	$10.00	$9.00	$8.25

(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service

(A) Nodes

Description	USOC	36 Months	60 Months	Monthly Extension
Per Node:				
OC-3				
-Customer Premises				
First	FP5CX	$1,650.00	$1,300.00	$2,120.00
First Re-Map	RN8CX	1,770.00	1,415.00	2,120.00
Additional	FP5CA	1,000.00	800.00	1,200.00
Additional Re-Map	RN8CA	1,000.00	800.00	1,200.00
-Central Office	FC5CX	1,000.00	800.00	1,200.00
OC-12				
-Customer Premises				
First	FP5DX	3,850.00	3,080.00	4,620.00
First Re-Map	RN8DX	3,850.00	3,080.00	4,620.00
Additional	FP5DA	2,620.00	2,095.00	3,140.00
Additional Re-Map	RN8DA	2,620.00	2,000.00	3,140.00
-Central Office	FC5DX	2,620.00	2,095.00	3,140.00
OC-48				
-Customer Premises				
First	FP5EX	5,890.00	4,715.00	7,070.00
First Re-Map	RN8EX	5,890.00	4,715.00	7,070.00
Additional	FP5EA	5,240.00	4,190.00	6,280.00
Additional Re-Map	RN8EA	5,240.00	4,190.00	6,280.00
-Central Office	FC5EX	5,240.00	4,190.00	6,280.00

(N)

Description	USOC	36 Months	60 Months	Monthly Extension
Per node:				
Flex-Ring				
Customer Premises node for 2nd ring double on existing				
OC-12	GP5FX	2,200.00	1,800.00	2,900.00
OC-48	GP5GX	3,900.00	3,000.00	4,500.00
Central Office node for 2nd ring double on existing				
OC-12	GC5FX	1,850.00	1,500.00	2,200.00
OC-48	GC5GX	3,500.00	2,800.00	4,100.00

(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service (Cont'd)

(A) Node (Cont'd)

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation -Per Node		
Customer Premises	NRBS7	$400.00
Customer Premises Re-Map	NRBS7	400.00
Central Office	NRBSV	325.00

(B) OC-48 Add/Drop Capability

Description	USOC	36 Months	60 Months	Monthly Extension
Per Arrangement	MPEFX	$3,510.00	$2,895.00	$4,350.00
Re-Map per arrangement	M8RFX	3,510.00	2,895.00	4,350.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation -per arrangement	NRBS8	490.00

(C) Ports

Description	USOC	36 Months	60 Months	Monthly Extension	
- Per Port (excluding Re-Map)					
DS1 at OC-3 Node	SPRAX	$ 50.00	$ 45.00	$ 65.00	
DS3 at OC-3 Node	SPRBX	120.00	110.00	150.00	
EC-1 at OC-3 Node	S9NSX	120.00	110.00	150.00	(N)
OC-3 at OC-3 Node	S9T1X	350.00	300.00	550.00	
DS3 at OC-12 Node	SPRCX	120.00	110.00	150.00	
EC-1 at OC-12 Node	S9NUX	120.00	110.00	150.00	(N)
OC-3 or OC-3c at OC-12 Node	SPREX	150.00	135.00	190.00	
DS1 at OC-12 Node [1][2]	SPRGX	50.00	45.00	65.00	
OC-12 at OC-12 Node	S9T2X	850.00	725.00	1,050.00	

[1] Optical to Electrical DS1 add/drop capability as described in 26.3(A)(5) is needed along with an OC-3 port.

[2] The Optical-to-Electrical DS1 add/drop capability will be charged when the 85th DS1 port is applied per OC-12 node.

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22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service (Cont'd)

(C) Ports (Cont'd)

Description	USOC	36 Months	60 Months	Monthly Extension	
-Per Port (excluding Re-Map)					
OC-12 or OC-12c at OC-48 Node	SPRHX	375.00	360.00	475.00	
OC-3 or OC-3c at OC-48 Node	SPRJX	150.00	135.00	190.00	
DS3 at OC-48 Node	SPRKX	120.00	110.00	150.00	
EC-1 at OC-48 Node	S9NVX	120.00	110.00	150.00	(N)
DS1 at OC-48 Node [1]	SPRLX	50.00	45.00	65.00	
OC-48 at OC-48 Node	S9T3X	1,900.00	1,650.00	2,850.00	
DS3 w/Transmux[2]	S4NGX	250.00	200.00	300.00	(N)
100 Mbps Ethernet (STS-1) at OC-3 Node	S9TAX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-1) at OC-12 Node	S9TBX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-3c) at OC-12 Node	S9TCX	180.00	160.00	280.00	
1 Gbps Ethernet (STS-1) at OC-12 Node	S9TDX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-3c) at OC-12 Node	S9TEX	250.00	200.00	350.00	
100 Mbps Ethernet (STS-1) at OC-48 Node	S9TGX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-3c) at OC-48 Node	S9THX	180.00	160.00	280.00	
1 Gbps Ethernet (STS-1) at OC-48 Node	S9TJX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-3c) at OC-48 Node	S9TKX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-12c) at OC-48 Node	S9TLX	600.00	500.00	875.00	
1 Gbps Ethernet (STS-24c) at OC-48 Node	S9TMX	900.00	850.00	1500.00	

[1] Optical to Electrical DS1 add/drop capability as described in 22.3(A)(5) is needed along with an OC-3 port.
[2] DS3 Transmux is only available on OC-3 and OC-12 Dedicated SONET Ring Services. (N)

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22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service (Cont'd)

(C) Ports (Cont'd)

Description	USOC	36 Months	60 Months	Monthly Extension	
- Per port (Re-Map) Per DS1 Re-Map Block (consists of 28 DS1 ports) at					
OC-3 Ring	P8RAX	1,400.00	1,260.00	1,820.00	
OC-12 Ring	P8RGX	1,400.00	1,260.00	1,820.00	
OC-48 Ring	P8RLX	1,400.00	1,260.00	1,820.00	
Per DS3 Re-Map Port					
OC-3 Ring	P8RBX	120.00	110.00	150.00	
Per DS3 Re-Map Block (consists of 3 DS3 ports) at					
OC-12 Ring	P8RCX	360.00	330.00	450.00	
OC-48 Ring	P8RKX	360.00	330.00	450.00	
Per EC-1 Re-Map Port					
OC-3 Ring	S9N6X	120.00	110.00	150.00	(N)
OC-12 Ring	S9N8X	120.00	110.00	150.00	|
OC-48 Ring	S9N9X	120.00	110.00	150.00	(N)
Per OC-3,OC-3c Re-Map Port at					
OC-12 Ring	P8REX	150.00	130.00	190.00	
OC-48 Ring	P8RJX	150.00	130.00	190.00	
Per OC-12,OC-12c Re-Map Port at OC-48 Ring	P8RHX	375.00	350.00	475.00	

Description	USOC	Nonrecurring Charge	
Nonrecurring charges for subsequent installation - Per port type			
OC-48 or OC-48c	NRBN9	$425.00	
OC-12 or OC-12c	NRBSZ	400.00	
OC-3 or OC-3c	NRBSW	400.00	
EC-1	NRBSX	385.00	(N)
DS3	NRBSX	385.00	
DS3 w/Transmux(1)	NRBSX	385.00	(N)
DS1	NRBSY	350.00	
100 Mbps Ethernet STS-1	NRM63	385.00	
100 Mbps Ethernet STS-3c	NRM64	385.00	
1 Gbps Ethernet STS-1	NRM65	425.00	
1 Gbps Ethernet STS-3c	NRM66	425.00	
1 Gbps Ethernet STS-12c	NRM67	425.00	
1 Gbps Ethernet STS-24c	NRM68	425.00	

(1) DS3 Transmux is only available on OC-3 and OC-12 Dedicated SONET Ring Services. (N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service (Cont'd) (T)

(D) Mileage (N)

Description	USOC	36 Months	60 Months	Monthly Extension
Per mile between nodes by ring type				
OC-3	1YAZX	$260.00	$220.00	$330.00
OC-12	1YAZX	260.00	220.00	330.00
OC-48	1YAZX	260.00	220.00	330.00

(E) Optical to Electrical DS1 Add/Drop Capability

Description	USOC	36 Months	60 Months	Monthly Extension
Per OC-3 to DS1 Add/Drop	MXJDX	875.00	700.00	1,050.00
Re-Map				
Per OC-3 to DS-1 Add/Drop	M8RDX	875.00	700.00	1,050.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation		
-Per DS1 off OC-12, OC-48	NRBS6	$490.00

(N)

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22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service (Cont'd)

(F) Dedicated SONET Ring Regenerator

Description	USOC	36 Months	60 Months	Monthly Extension
OC-3				
Each (as required)	RGY	$1,000.00	$ 800.00	$1,200.00
OC-12				
Each (as required)	RGY	2,620.00	2,095.00	3,140.00
OC-48				
Each (as required)	RGY	3,275.00	2,620.00	3,930.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation of Regenerator -Each (as required)	NRBS5	$270.00

(G) Shared Network Arrangement

Description	USOC	Nonrecurring Charge
Processing Charge Per Service Order	NRMCL	$30.00

(H) Installation and Rearrangement Charges

Description		Administrative Charge per Order	Design and Central Office Connection Charge, per Initial Ring
	USOC	ORCMX	NRMCK
OC-3		$60.00	$600.00
OC-12		60.00	600.00
OC-48		60.00	600.00

(N)

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.12 Dedicated SONET Ring Service (Cont'd)

(I) Re-Map Service

Description	USOC	Nonrecurring Charge
Initial Service Script Establishment/ Test Charge		
Per OC-3 Ring	NRMR1	$2,000.00
Per OC-12 Ring	NRMR1	3,500.00
Per OC-48 Ring	NRMR1	4,500.00
Subsequent Script Activity Charge		
Per OC-3 Ring	NRMR3	1,200.00
Per OC-12 Ring	NRMR3	2,100.00
Per OC-48 Ring	NRMR3	2,700.00
Scheduled Test Charge		
Per OC-3 Ring	NRMR5	1,600.00
Per OC-12 Ring	NRMR5	2,800.00
Per OC-48 Ring	NRMR5	3,600.00
Emergency Re-Map Activation -per request		
Per OC-3 Ring	NRMR7	1,800.00
Per OC-12 Ring	NRMR7	3,150.00
Per OC-48 Ring	NRMR7	4,050.00

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.13 OC-192 Dedicated SONET Ring Service

(A) Nodes

Description	USOC	3 year	5 Year	Monthly Extension	
- Customer Premises					
First	GP5AX	$19,800.00	$14,400.00	$33,000.00	
First Re-Map	RNFAX	19,800.00	16,000.00	33,000.00	(N)
Additional	GP5AA	17,800.00	13,000.00	29,475.00	
Additional Re-Map	RNFAA	17,800.00	14,200.00	29,475.00	(N)
- Central Office	GC5AX	17,800.00	13,000.00	29,475.00	

Description	USOC	Nonrecurring Charge	
Nonrecurring charges for subsequent installation			
- Per Node			
Customer Premises	NRBS7	$400.00	
Customer Premises Re-Map	NRBS7	400.00	(N)
Central Office	NRBSV	325.00	

(B) Add/Drop Capability

Description	USOC	3 year	5 Year	Monthly Extension
Per Arrangement -(per node)[1] not to exceed any configurable combination of ports beyond 192 STS-1 equivalents	MXRGX	$4,500.00	$3,240.00	$7,000.00

[1] The OC192 Add/Drop Capability charge is applied to all nodes, excluding regenerators.

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Service (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.13 OC-192 Dedicated SONET Ring Serivice (Cont'd)

(B) Add/Drop Capability (Cont'd)

Description	USOC	36 Months	60 Months	Monthly Extension
(2) Optical to Electrical Per Arrangement[1] - (per node) not to exceed any configurable combination of ports beyond 192 STS-1 equivalents	MXJGX	$2,500.00	$2,000.00	$3,500.00

(N)

Description	USOC	Nonrecurring Charge
Subsequent Installation Optical/Electrical of DS3 Add/Drop	NRBS8	$490.00

(N)

(1) When electrical drops are required, the Optical-to-Electrical Add/Drop Capability charge is applied in addition to the Add/Drop Capability charge set forth in Section 22.5.2.13(B), preceding.

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.13 OC-192 Dedicated SONET Ring Service (Cont'd)

(C) Ports

Description	USOC	3 Year	5 Year	Monthly Extension	
- Per Port					
DS1	S9QWX	$ 50.00	$45.00	$65.00	(N)
DS3	S9QGX	120.00	110.00	150.00	(T)
EC-1	S9TZX	120.00	110.00	150.00	(N)
OC-3,OC-3c	S9NEX	135.00	120.00	225.00	
OC-12,OC-12c	S9NGX	325.00	300.00	550.00	
OC-48,OC-48c	S9NJX	825.00	760.00	1,425.00	
OC-192 at OC-192 Node	S9T4X	3,300.00	3,000.00	5,700.00	
100 Mbps Ethernet (STS-1) at OC-192	S9TNX	145.00	130.00	225.00	(N)
100 Mbps Ethernet (STS-3c) at OC-192	S9TOX	180.00	160.00	280.00	
1 Gbps Ethernet (STS-1) at OC-192	S9TPX	250.00	200.00	350.00	(N)
1 Gbps Ethernet (STS-3c) at OC-192 node*	S9TQX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-12c) at OC-192 node*	S9TRX	600.00	500.00	875.00	
1 Gbps Ethernet (STS-24c) at OC-192 node*	S9TSX	900.00	850.00	1,500.00	

Description	USOC	3 Year	5 Year	Monthly Extension	
- Per port (Re-Map)					(N)
Per DS1 Re-Map Block (consists of 28 DS1 ports) at OC-192 Ring	RN76X	$1400.00	$1260.00	$1820.00	
Per DS3 Re-Map Block (consists of 3 DS3 ports at OC-192 Ring	RN77X	360.00	330.00	400.00	
Per DS3 Re-Map Port at OC-192 Ring	RN71X	120.00	110.00	150.00	
Per EC-1 Re-Map Port at OC-192 Ring	S4NMX	120.00	110.00	150.00	
Per OC-3 Re-Map Port at OC-192 Ring	RN72X	150.00	135.00	190.00	
Per OC-12 Re-Map Port at OC-192 Ring	RN73X	375.00	360.00	475.00	
Per OC-48 Re-Map Port at OC-192 Ring	RN74X	825.00	700.00	1425.00	(N)

Certain material previously appearing on this page now appears on Original Page 22-44.10.1.

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.13 OC-192 Dedicated SONET Ring Service (Cont'd)

(C) Ports (Cont'd) (N)

Description	USOC	Nonrecurring Charge	
Nonrecurring charges for subsequent installation			(M)
- Per port type			(M)
DS1	NRBSY	$350.00	(N)
DS3	NRBSX	385.00	(T)
EC-1	NRBSX	385.00	(N)
OC-3,OC-3c	NRBSW	400.00	(M)
OC-12,OC-12c	NRBSZ	400.00	
OC-48,OC-48c	NRBN9	425.00	
OC-192	NRBN2	750.00	(M)
100 Mbps Ethernet (STS-1) at OC-192 node	NRM63	385.00	(N)
100 Mbps Ethernet (STS-3c) at OC-192 node	NRM64	385.00	(N)
1 Gbps Ethernet (STS-1) at OC-192 node	NRM65	385.00	(N)
1 Gbps Ethernet (STS-3c) at OC-192 node	NRM66	425.00	(M)
1 Gbps Ethernet (STS-12c) at OC-192 node	NRM67	425.00	
1 Gbps Ethernet (STS-24c) at OC-192 node	NRM68	425.00	

(D) Mileage

Description	USOC	3 Year	5 Year	Monthly Extension	
Per mile between nodes(1)	1YAZX	$260.00	$210.00	$330.00	(M)

(1) A two-node ring configuration has a two-mile minimum, one mile from the CO node to the customer premise node, and one mile from the customer premise node to the CO node. (M)

Certain material appearing on this page previously appeared on 1st Revised Page 22-44.10.

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.13 OC-192 Dedicated SONET Ring Service (Cont'd)

(E) Ring Regenerator

Description	USOC	3 Year	5 Year	Monthly Extension
Each (as required)	RGY	$9,250.00	$ 7000.00	$13,875.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation of Regenerator -Each (as required)	NRBS5	$270.00

(F) Shared Network Arrangement

Description	USOC	Nonrecurring Charge
Processing Charge Per Service Order	NRMCL	$30.00

(G) Installation and Administrative Charges

Description	USOC	Nonrecurring Charge
Administrative Charge Per Service Order	ORCMX	$60.00
Design and Central Office Connection Charge, Per Initial Ring	NRMCK	2,250.00[1]

[1] Per Ring Charge for Dedicated Ring Service is applied once per original ring installed. (N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.13 OC-192 Dedicated SONET Ring Service (Cont'd)

(G) Installation and Administrative Charges (Cont'd)

(N)

Description	USOC	Nonrecurring Charge
Re-Map Service		
Initial Service Script Establishment/ Test Charge	NRMR1	$5,500.00
Subsequent Script Activity Charge	NRMR3	3,200.00
Scheduled Test Charge	NRMR5	4,200.00
Emergency Re-Map Activation (per request)	NRMR7	5,000.00

(N)

(H) Optical-to-Electrical Add/Drop Capability

Description	USOC	36 Months	60 Months	Monthly Extension
Per Arrangement[1] - per node) not to exceed any configurable combination of ports beyond 192 STS-1 equivalents	MXJGX	$2,500.00	$2,000.00	$3,500.00

[1] When electrical drops are required, the Optical-to-Electrical Add/Drop Capability charge is applied in addition to the Add/Drop Capability charge set forth in Section 22.4(B), preceding.

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.14 Wavelength Metropolitan Area Network (WaveMAN SM)

(1) Recurring Charges

(a) OC-48

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(1) Local Distribution Channel -Per Point of Termination Terminating Bit Rate 2.5 Gbps -All States	TMECS	$9,000.00	$7,500.00	$6,000.00	$4,700.00	$3,800.00	
(2) Interoffice Transport Mileage -Fixed -All States	1L5XX	$1,400.00	$1,100.00	$800.00	$600.00	$500.00	
-Per Mile 2.5 Gbps -All States	1L5XX	$425.00	$300.00	$260.00	$240.00	$200.00	
(3) Repeater -each	VU4	$3,100.00	$2,640.00	$2,100.00	$1,500.00	$1,300.00	
(4) Diversity Options Local Channel Diversity -Per Channel Terminating Bit Rate 2.5 Gbps -All States	CPALX	$1,400.00	$1,200.00	$1,000.00	$900.00	$800.00	$850.00
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 2.5 Gbps -All States	CPATX	$1,050.00	$800.00	$700.00	$600.00	$500.00	$700.00
Alternate Wire Center Diversity -Per Channel Terminating Bit Rate 2.5 Gbps -All States	CPAAX	$2,500.00	$1,900.00	$1,700.00	$1,400.00	$1,200.00	$950.00 (N)

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ACCESS SERVICE

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.14 Wavelength Metropolitan Area Network (WaveMAN℠) (Cont'd)

(1) Recurring Charges (Cont'd)

(a) OC-48 (Cont'd)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(5)Protection – per WaveMAN℠ service arranged							
-Equipment Only Protection, per terminating end	CPAEX	$2,250.00	$2,000.00	$1,800.00	$1,550.00	$1,350.00	$625.00
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	$3,700.00	$3,050.00	$2,750.00	$2,400.00	$2,100.00	$1,400.00
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	$3,250.00	$2,700.00	$2,400.00	$2,100.00	$1,800.00	$1,255.00
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	$570.00	$450.00	$240.00	$180.00	$120.00	$625.00
-Power Protection[1]	VBBGX	$700.00	$625.00	$525.00	$480.00	$435.00	$475.00
(6) –Collocation Transport facilities between Collocation Arrangements							
-Fixed	1H48S	$5,200.00	$4,100.00	$3,250.00	$2,800.00	$1,800.00	
-Per Mile	1H48S	$425.00	$300.00	$260.00	$240.00	$200.00	

[1] Power Protection rate elements are applicable, as set forth in 16.1(J)(3)(d), preceding.

(N)

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ACCESS SERVICE

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.14 Wavelength Metropolitan Area Network (WaveMAN[SM])(Cont'd)

(1) Recurring Charges (Cont'd)

(b) OC-192

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(1) Local Distribution Channel							
-Per Point of Termination Terminating Bit Rate 10 Gbps -All States	TMECS	$22,770.00	$18,000.00	$15,000.00	$10,500.00	$9,000.00	
(2) Interoffice Transport Mileage							
-Fixed -All States	1L5XX	$1,800.00	$1,350.00	$900.00	$650.00	$575.00	
-Per Mile 10 Gbps -All States	1L5XX	$425.00	$300.00	$260.00	$240.00	$200.00	
(3) Repeater -each	VU4	$7,920.00	$6,600.00	$5,280.00	$3,840.00	$3,280.00	
(4) Diversity Options							
Local Channel Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPALX	$3,938.00	$3,038.00	$2,700.00	$2,250.00	$2,025.00	$850.00
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPATX	$2,625.00	$2,025.00	$1,800.00	$1,500.00	$1,350.00	$700.00
Alternate Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPAAX	$6,300.00	$4,860.00	$4,320.00	$3,600.00	$3,240.00	$950.00

(N)

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ACCESS SERVICE

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.14 Wavelength Metropolitan Area Network (WaveMAN℠) (Cont'd)

(1) Recurring Charges (Cont'd)

(b) OC-192 (Cont'd)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(5) Protection – per WaveMAN℠ service arranged							
-Equipment Only Protection, per terminating end	CPAEX	$9,000.00	$8,250.00	$7,350.00	$6,300.00	$5,400.00	$3,000.00
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	$14,760.00	$12,300.00	$11,040.00	$9,600.00	$8,400.00	$4,500.00
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	$13,140.00	$10,950.00	$9,900.00	$8,550.00	$7,350.00	$4,200.00
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	$1,425.00	$1,125.00	$600.00	$450.00	$300.00	$625.00
-Power Protection[1]	VBBGX	$700.00	$625.00	$525.00	$480.00	$435.00	$475.00
(6) –Collocation Transport facilities between Collocation Arrangements							
-Fixed	1H48S	$9,600.00	$6,700.00	$4,800.00	$4,200.00	$3,800.00	
-Per Mile	1H48S	$425.00	$300.00	$260.00	$240.00	$200.00	

[1] Power Protection rate elements are applicable, as set forth in 16.1(J)(3)(d), preceding.

(N)

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ACCESS SERVICE

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.14 Wavelength Metropolitan Area Network (WaveMAN^SM) (Cont'd)

(2) Installation and Rearrangement Charges

(a) OC-48

	USOC	Nonrecurring Charges [1]
(1) Administrative Charge per Order	ORCMX	$60.00
(2) Design Central Office Connection Charge per circuit	NRMCK	$600.00
(3) Customer Connection Charge per Termination	NRBBL	$1,500.00

(b) OC-192

	USOC	Nonrecurring Charges [1]
(1) Administrative Charge per Order	ORCMX	$60.00
(2) Design Central Office Connection Charge per circuit	NRMCK	$600.00
(3) Customer Connection Charge per Termination	NRBBL	$1,500.00

[1] The installation Non-recurring charges will be waived for customers purchasing a new 36-or 60-month term pricing plan. This waiver does not include moves and upgrades of service.

(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.15 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®)

(A) Recurring Charges

(1) LAN-PHY

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(a) Local Distribution Channel							
-Per Point of Termination Terminating Bit Rate 10 Gbps	TMECS	$18,000.00	$15,000.00	$12,000.00	$8,500.00	$7,250.00	N/A
(b) Interoffice Transport Mileage							
-Fixed	1L5XX	3,600.00	2,700.00	1,800.00	1,275.00	1,150.00	N/A
-Per Mile 10 Gbps	1L5XX	425.00	300.00	250.00	125.00	100.00	N/A
(c) Repeater -each	VU4	7,200.00	6,000.00	4,800.00	3,400.00	2,900.00	N/A
(d) Diversity Options							
Local Channel Diversity -Per Channel Terminating Bit Rate 10 Gbps	CPALX	3,938.00	3,038.00	2,700.00	2,250.00	2,025.00	850.00
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps	CPATX	2,625.00	2,025.00	1,800.00	1,500.00	1,350.00	700.00
Alternate Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps	CPAAX	6,300.00	4,860.00	4,320.00	3,600.00	3,240.00	950.00

(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.15 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(A) Recurring Charges (Cont'd)

(1) LAN-PHY (Cont'd)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(e) Protection – per DecaMAN® service arranged							
-Equipment Only Protection, per terminating end	CPAEX	9,000.00	8,250.00	7,350.00	6,300.00	5,400.00	3,000.00
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	14,760.00	12,300.00	11,040.00	9,600.00	8,400.00	4,500.00
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	13,140.00	10,950.00	9,900.00	8,550.00	7,350.00	4,200.00
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	1,425.00	1,125.00	600.00	450.00	300.00	625.00
-Power Protection[1]	VBBGX	700.00	625.00	525.00	480.00	435.00	475.00

[1] Power Protection rate elements are applicable, as set forth in 25(3)(J)(d). (N)

ACCESS SERVICE

(N)

22. Metropolitan Statistical Area Access Services (Cont'd)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.15 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(A) Recurring Charges (Cont'd)

(2) WAN-PHY

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(a) Local Distribution Channel							
-Per Point of Termination Terminating Bit Rate 10 Gbps	TMECS	$19,800.00	$16,500.00	$13,200.00	$9,600.00	$8,200.00	N/A
(b) Interoffice Transport Mileage							
-Fixed	1L5XX	3,600.00	2,700.00	1,800.00	1,275.00	1,150.00	N/A
-Per Mile 10 Gbps	1L5XX	425.00	300.00	250.00	125.00	100.00	N/A
(c) Repeater -each	VU4	7,200.00	6,000.00	4,800.00	3,400.00	2,900.00	N/A
(d) Diversity Options							
Local Channel Diversity -Per Channel Terminating Bit Rate 10 Gbps	CPALX	3,938.00	3,038.00	2,700.00	2,250.00	2,025.00	850.00
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps	CPATX	2,625.00	2,025.00	1,800.00	1,500.00	1,350.00	700.00
Alternate Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps	CPAAX	6,300.00	4,860.00	4,320.00	3,600.00	3,240.00	950.00

(N)

ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.15 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(A) Recurring Charges (Cont'd)

(2) WAN-PHY (Cont'd)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(e) Protection – per DecaMAN® service arranged							
-Equipment Only Protection, per terminating end	CPAEX	9,000.00	8,250.00	7,350.00	6,300.00	5,400.00	3,000.00
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	14,760.00	12,300.00	11,040.00	9,600.00	8,400.00	4,500.00
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	13,140.00	10,950.00	9,900.00	8,550.00	7,350.00	4,200.00
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	1,425.00	1,125.00	600.00	450.00	300.00	625.00
-Power Protection[1]	VBBGX	700.00	625.00	525.00	480.00	435.00	475.00

[1] Power Protection rate elements are applicable, as set forth in 25(3)(J)(d). (N)

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ACCESS SERVICE

22. Metropolitan Statistical Area Access Services (Cont'd) (N)

22.5 Rates and Charges (Cont'd)

22.5.2 Special Access Service (Cont'd)

22.5.2.15 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(B) Installation and Rearrangement Charges

(1) LAN-PHY

	USOC	Nonrecurring Charge[1]
(a) Administrative Charge per Order	ORCMX	$60.00
(b) Design Central Office Connection Charge per circuit	NRMCK	$600.00
(c) Customer Connection Charge per Termination	NRBBL	$1,400.00

(2) WAN PHY

	USOC	Nonrecurring Charge[1]
(a) Administrative Charge per Order	ORCMX	$60.00
(b) Design Central Office Connection Charge per circuit	NRMCK	$600.00
(c) Customer Connection Charge per Termination	NRBBL	$1,400.00

[1] The Installation and Rearrangement Non-recurring Charges will be waived for Customers purchasing a 36 or 60 month term pricing plan. (N)

22. Metropolitan Statistical Area Access Service (Cont'd) (N)

22.6 Nevada Bell Wire Center Information

22.6.1 MSAs with Limited Service Relief

State	Wire Center CLLI	MSA Name
NB	EMPRNV11	RENO
NB	INVGNV11	RENO
NB	LCWDNV11	RENO
NB	RENONV02	RENO
NB	RENONV12	RENO
NB	RENONV13	RENO
NB	RENONV14	RENO
NB	RENONV15	RENO
NB	SNVYNV11	RENO
NB	SPRKNV11	RENO
NB	SPRKNV12	RENO
NB	STEDNV11	RENO
NB	VERDNV11	RENO
NB	WASONV11	RENO

(N)

23. Pricing Flexibility Contract Offerings (N)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

23.1.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 1) is an access discount plan that provides Customers with Incentive Discounts and Portability Incentives (as defined in Section 23.1.4) in accordance with the terms and conditions as set forth in this Section 23.1.3.

23.1.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 1 applies to qualified access services contained in Nevada Bell Telephone Company Tariff F.C.C. No. 1 (Qualified Access Services), listed in Table A below:

Table A

Service	General Basic Description	Rates and Charges	
High Capacity Service	7.11.1	7.11.5	22.5.2.5
Broadband Circuit Service (BCS)	20.1	20.2	22.5.2.9
Optical Carrier Network (OCN) Point-to-Point Service	21.1	21.3	22.5.2.10
Gigabit Ethernet Metropolitan Area Network (GigaMAN)	7.13.1	7.13.3	22.5.2.7
Multi-service Optical Network (MON) Ring Service	8.1	8.4	22.5.2.8

(B) When additional Qualified Access Services are added to the services available under F.C.C. No. 1, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 1 for the purposes of calculating the Incentive Discounts and Portability Incentives included in this Contract Offer No. 1. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.2 Services Available Under WAMS-VIP Offer (Cont'd)

(C) All terms and conditions for the Qualified Access Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 1.

23.1.3 WAMS-VIP Offer Terms and Conditions

The following terms and conditions apply to Contract Offer No. 1:

(A) Eligibility Criteria

(1) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in F.C.C. No. 1, Section 17 (Operating Territory);

(2) Incentive Discounts earned by the Customer under Contract Offer No. 1 shall be applied in the form of a credit to the Customer's bill(s) for Qualified Access Services, located in the following MSA(s) where Telephone Company has been granted pricing flexibility: Reno, Nevada; and

(3) All traffic on the Qualified Access Service(s) must originate or terminate on a wireless carrier's network. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions

(1) Revenue commitments are based on billed, recurring charges for the Qualified Access Services and specifically exclude any non-recurring charges and Incentive Discounts earned under this Contract Offer No. 1;

(2) Customer must maintain a Baseline Minimum Annual Revenue Commitment of $1,176,000 (Baseline MARC) for Qualified Access Services;

(3) Contract Offer No. 1 Incentive Discounts and Portability Incentives are in addition to, and do not alter, any of the existing service discount/term plans available in the Telephone Company's respective tariffs;

(4) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 1. In the event such rate modifications are made no change will be made to the Baseline MARC;

(5) Qualified Access Services are subject to certain rates, charges and general terms and conditions in other sections of F.C.C. Tariff No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched & Special Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous Services) and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period. Such tariff modifications will not change the terms and conditions described in Contract Offer No. 1;

(6) This Contract Offer No. 1 is available October 9, 2004 through November 9, 2004;

(N)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.3 WAMS-VIP Offer Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) The Customer must meet the criteria described for Incentive Discounts and Portability Incentives, as provided in Section 23.1.4; and

(8) To subscribe to Contract Offer No. 1, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company. The LOS shall contain the effective date ("Effective Date") and the Access Customer's Name Abbreviation(s) (ACNA) and must be signed by the Customer and the Telephone Company's representative.

(C) Term Period

The contract term (Term Period) is eighty-four (84) months commencing on the Effective Date. Each twelve (12) month period beginning with the Effective Date shall be a Term Year. At the end of the Term Period, the Incentive Discounts and Portability Incentives provided in this Contract Offer No. 1 shall be discontinued. This offer is not renewable. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.4 WAMS-VIP Offer Incentive Discounts

Customer will be eligible for the following Incentive Discounts and/or Portability Incentives (collectively "Incentives") under Contract Offer No. 1 during each of the Term Years:

Incentive Discount Commitment Credit (IDCC),
Incentive Discount for WinBack Services (WinBack Incentive), and
Portability Incentive for DS3s (Portability Incentive).

(A) Incentive Discount Commitment

In order to qualify for the IDCC and Portability Incentives, Customer must maintain the "Incentive Discount Commitment" (IDC):

(1) Establishment of the IDC

(a) For Term Year one (1) the Customer's IDC will equal the Baseline MARC.

(b) Unless and until Customer elects to increase the IDC, as provided in Section 23.1.4(A)(1)(c), the IDC during Term Years two (2) through seven (7) shall remain the Baseline MARC.

(c) Customer may elect, by providing written notice to Telephone Company, to increase the IDC. Customer shall notify the Telephone Company of the new IDC Level, as provided in Table B in Section 23.1.4(B). The Customer may increase the IDC Level only; the IDC Level may not be decreased. An IDC Level may be increased effective at the beginning of each Term Year, after the first Term Year, and after the first six (6) months of each Term Year (New IDC Date). Each time Customer chooses a new IDC Level, the corresponding IDC and IDCC shall apply as of the New IDC Date and for the remainder of the Term Period, unless Customer further increases the IDC as provided in this section.

(2) Application of Incentive Discount Commitment

If during the Annual True-Up, as defined in Section 23.1.5(A), the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the IDCC and Portability Incentives for the following Term Year, provided the criteria in Section 23.1.4(B) and (E)respectively, are met. During the first Term Year, the Telephone Company will apply the IDCC based upon IDC Level 1.

(N)

23. Pricing Flexibility Contract Offerings (Cont’d)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont’d)

23.1.4 WAMS-VIP Offer Incentive Discounts (Cont’d)

(A) Incentive Discount Commitment (Cont’d)

(2) Application of Incentive Discount Commitment (Cont’d)

Example: After Term Year one (1), the Customer’s Achieved Revenue Amount, determined by the Annual True-Up, equals $1,900,000 and the IDC is $1,176,000. Since the Achieved Revenue Amount exceeds the IDC and the Customer has not provided notice to increase the IDC to a new IDC Level, the Telephone Company would apply the IDCC, and Portability Incentives in Term Year two (2), based on the Customer’s IDC of $1,176,000.

(3) Notwithstanding the above, Incentives shall not be applied unless and until the Customer is current in paying (or properly disputing) all invoices submitted for payment by the Telephone Company for billed, recurring revenue for Qualified Access Services in accordance with F.C.C. No. 1, Section 2.

(B) Incentive Discount Commitment Credit for Qualified Access Services

For each Term Year, the Customer will be eligible for an “Incentive Discount Commitment Credit” (IDCC) according to Table B, per sub-section (1) below.

Table B

IDC Level	IDC	IDCC
1	**$ 1,176,000**	**$ 105,840**
2	**$ 1,296,000**	**$ 129,600**
3	**$ 1,416,000**	**$ 169,920**
4	**$ 1,536,000**	**$ 215,040**
5	**$ 1,656,000**	**$ 248,400**
6	**$ 1,776,000**	**$ 301,920**
7	**$ 1,896,000**	**$ 379,200**

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(B) Incentive Discount Commitment Credit for Qualified Access Services (Cont'd)

(1) Application of Incentive Discount Commitment Credit

(a) The Telephone Company will apply the IDCC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDCC per Section 23.1.4(A),as follows: One-quarter of the IDCC will be applied thirty (30) days in arrears from the end of the first, second, third and fourth quarters of the Term Year, based on the IDCC determined under Section 23.1.4(B)(1)(b)and 23.1.4(B)(1)(c) below.

(b) The IDCC applied during the four (4)quarters of Term Year one (1) shall be based upon IDC-Level 1.

(c) The IDCC applied during the four (4) quarters for Term Years two (2) through seven (7) will be based upon the IDC-Level determined using the IDC established in Section 23.1.4(A).

(N)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for WinBack Services

If the Customer elects to obtain Qualified Access Service(s) located in MSAs where the Telephone Company has been granted pricing flexibility within the Operating Territory, in place of access service(s) that is provided by a carrier other than the Telephone Company or one of its affiliates, the Customer will receive a one-time credit equal to twenty percent (20%) of the first twelve (12) months billed, recurring revenue for that new Qualified Access Service (WinBack Incentive).

This WinBack Incentive credit will be applied in addition to the Incentives described in Sections 23.1.4(B)and(D).

(1) Eligibility Criteria for WinBack Incentive

(a) The Customer must present reasonable and verifiable information, which includes but is not limited to circuit detail or coordinated move orders, to demonstrate the service being converted is currently being provided by a carrier other than the Telephone Company or its affiliates; and

(b) The new Qualified Access Service(s) ordered must have a minimum term period of twelve (12) months for DS1 and DS3 orders and thirty-six (36) months for SONET services.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount for WinBack Services (Cont'd)

(2) Application of WinBack Incentive

(a) The Telephone Company will apply the credit to the Customer's bill(s) for Qualified Access Services that follows the end of the initial twelve (12) month period, thirty (30) days in arrears, as follows:

(i) When the Telephone Company and Customer have identified the start date for the term period of the WinBack Qualified Access Service in a authorization letter, the initial twelve (12) month period will be the twelve (12) month period commencing on that start date; or,

(ii) When the start date for the term period of the WinBack Qualified Access Service is established by the completion of an access service order, the initial twelve (12) month period will be the twelve (12) month period commencing on the day the access service order is completed. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.4 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3 Qualified Access Services.

This Portability Incentive is in addition to the Incentives described in Sections 23.1.4(B) and (C).

(1) Eligibility Criteria for DS3 Portability Incentive

The following criteria must be met in order to receive the Portability Incentive:

(a) Customer's DS3s must meet the Minimum Period requirements, as established under F.C.C. No. 1, Section 7.2.4 at the previous location;
(b) The term period of the new circuit must be equal to, or greater than, the remaining term of the disconnected circuit; and
(c) The disconnect service and new service must be within the Operating Territory.

(2) Semi-Annual Review of Disconnect Access Service Orders

If Customer qualified for the Portability Incentive as set forth in Section 23.1.4(A) but cumulative "disconnect" access service orders exceeded "add" access service orders during the Term Year, as measured on a semi-annual basis, the Customer will be assessed termination liability charges on the sum difference between the cumulative disconnect and add access service orders.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.5 WAMS-VIP Annual True-Up

(A) An annual true-up calculation is performed after each Term Year ("Annual True-Up") to establish whether:

(1) Customer maintained the Baseline MARC during that Term Year; and

(2) Customer met or exceeded the IDC.

For the purposes of the Annual True-Up calculations, the Customer's billed, recurring revenue for Qualified Access Services during the Term Year will constitute the Customer's "Achieved Revenue Amount."

(B) Annual True-Up Calculations

(1) Baseline MARC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the Baseline MARC.

(a) If Customer's Achieved Revenue Amount falls below the Baseline MARC, the Customer may pay the difference between the Baseline MARC and the Achieved Revenue Amount (Shortfall Payment).

(i) The Telephone Company will notify the Customer within thirty (30) days of the end of the Term Year of any Shortfall Payment.

(ii) Customer must make the Shortfall Payment within thirty (30) days after receiving notification from the Telephone Company.

(iii) The following Term Year's IDC and IDCC will be determined as set forth in Section 23.1.4(A)and(B).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.5 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(1) Baseline MARC Annual True-Up: (Cont'd)

Example of Baseline MARC Annual True-Up:

If Customer's Achieved Revenue Amount in Term Year 5 is $1,000,000, the Baseline MARC of $1,176,000 has not been met. Customer may choose to pay the difference of $176,000 (1,176,000 – 1,000,000), in order to avoid termination liability charges.

(b) If Customer's Achieved Revenue Amount falls below the Baseline MARC for any given Term Year, and the Customer does not make the Shortfall Payment, this Contract Offer Subscription shall terminate and termination liability charges will apply, as described in Section 23.1.8(A). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.5 WAMS-VIP Annual True-Up (Cont'd)

(B) The Annual True-Up Calculation (Cont'd)

(2) IDCC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the IDC.

(a) If the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will determine the IDCC for the following Term Year and the quarterly credits, for that following Term Year, will be applied as set forth in Section 23.1.4(B)(1).

(b) If the Customer's Achieved Revenue Amount falls below the IDC, the Customer may pay the difference between the Achieved Revenue Amount and the IDC ("Make-Up Payment") to be eligible for IDCC for the following Term Year as detailed below.

(i) The Telephone Company shall notify the Customer within thirty (30) days of the end of the Term Year of any Make-Up Payment.

(ii) Customer must pay the Make-Up Payment within thirty (30) days after receiving said notification from the Telephone Company.

(iii) The following Term Year's IDCC will be determined as set forth in Section 23.1.4(B).

(iv) If the Customer chooses not to make the Make-Up Payment, no IDCC payments will be made to the Customer for the following Term Year.

Example of IDCC Annual True-Up:

If the Achieved Revenue Amount for Term Year 3 is $1,500,000 and the IDC is $1,296,000 the Earned IDCC for Term Year 4 would be $129,600, unless the Customer increased the applicable IDC as provided in Section 23.1.4(A). (N)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Merger/Acquisitions

(A) Assignment/Successors

(1) If the Customer wishes to assign or transfer its rights and obligations under Contract Offer No. 1 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in F.C.C. No. 1 Sections 2.1.2 are fulfilled, unless the proposed assignee or transferee demonstrates a lack of credit worthiness under any of the criteria in (a), (b) or (c) below, or if the assignee or transferee or its parent, has commenced or had initiated against it a voluntary receivership or bankruptcy proceeding.

(a) Any debt 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 a rating organization for a possible downgrade or;

(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:

(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)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) The terms and conditions of the Contract Offer No. 1 shall continue in full force and effect if the Customer merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity (Transfer). After a Transfer, if the other entity also purchases Qualified Access Service(s) from the Telephone Company, either directly or through any affiliates, the Customer shall not include under the Contract Offer Subscription any of the billed, recurring revenue for the Qualified Access Services of the other entity in place as of the date the Transfer is finalized (Transfer Date), except as may be provided below.

Notwithstanding the foregoing, the Customer may choose, at its discretion, one of the options set forth in subsections (i)-(iii) below (Options), within the time period that is between twelve (12) months and twenty-four (24) months after the Transfer Date.

To exercise an Option, the Customer must send written notice to the Telephone Company within the time period described above stating which Option the Customer selects. The date that the Customer sends that written notice shall be the "Option Exercise Date". None of the Options shall alter in any way the terms or conditions of any contract or tariff pursuant to which the other entity obtains Qualified Access Services from the Telephone Company, including but not limited to any terms or conditions related to termination.

Option (i): The Customer and Telephone Company shall recalculate the Baseline MARC, IDC and IDCCs (Key Numbers) for the period from the Option Exercise Date to the end of the Term Period, to allow for the combined billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under the Contract Offer Subscription, provided the following conditions are met: (N)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(a) One hundred percent (100%) of the total combined billed, recurring revenues for Qualified Access Services of Customer and the other entity must be included in the Contract Offer Subscription;

(b) The Baseline MARC will be adjusted according to the following formula:

The Baseline MARC will be equal to one hundred percent (100%) of the other entity's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date multiplied by four (4) plus 1,176,000. This shall be the "Combined Baseline MARC";

(c) The IDC for the remainder of the then-current Term Year will be adjusted according to the following formula:

The IDC will be equal to one hundred percent (100%) of the other entity's actual billed recurring Qualified Access Services revenues for the three months immediately preceding the Option Exercise Date multiplied by four (4) plus the Customer's current IDC. This shall be the "Combined IDC"; (N)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

Option (i): (Cont'd)

(d) The IDC will be adjusted according to the following formula:

The Option 1 multiplier ("Option 1 Multiplier"), which equals the ratio of the Combined IDC to the Customer's current IDC, will be applied to the IDCCs associated with the IDC Levels that are available to the Customer, as defined in Section 23.1.4.

Example:
IDC = $1,416,000
Current IDCC Level = 3

New Entity Revenue = $1,000,000

Combined IDC = $2,416,000
($1,416,000 plus $1,000,000)

Option 1 Multiplier = 1.71
($2,416,000/$1,416,000)

(e) The IDCCs amounts will be adjusted according to the following formula:

The Option 1 Multiplier will be applied to the IDCC associated with the IDCC Levels which remain available to the Customer in order to determine the Combined IDCC.

Example:
IDC = $1,416,000
Current IDC-Level = 3
IDCC = $169,920

New Entity Revenue = $1,000,000
Combined IDC = $2,416,000
($1,416,000 plus $1,000,000)

Option 1 Multiplier = 1.71
(1,416,000/$1,000,000) (N)

Combined IDCC = $290,563
($169,920 multiplied by 1.71)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(f) The Customer must have at least forty-eight (48) months remaining in the Term Period under the Contract Offer Subscription or, if less than forty-eight (48) months are remaining in the Term Period under the Contract Offer Subscription, the Term Period shall be automatically extended so that the terms and conditions of the Contract Offer No. 1 remain in effect for forty-eight (48) months after the Option Exercise Date; and

(g) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Option Exercise Date with no credits being applied to the Customer's bill(s) during this sixty (60) day period. Starting with the remaining quarters, the combined Key Numbers will be used to determine applicable IDCC amounts.

(1) If the Option Exercise Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or thirty (30) days in arrears of the end of the quarter, whichever is later; or

(2) If the Option Exercise Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

Option (ii): The Customer and Telephone Company shall endeavor to negotiate new Key Numbers for the period from the Option Exercise Date to the end of the Term Period, to allow for the combination of the billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under this Contract Offer Subscription provided the following conditions are met: (N)

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

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(a) The Customer and Telephone Company shall each identify a team (composed of business and network subject matter experts) which shall negotiate new Key Numbers in good faith;

(b) If these discussions do not result in mutual agreement on new Key Numbers within sixty (60) days of the date of the Option Exercise Date, either Customer or Telephone Company may provide written notice to the other requesting that each party appoint a knowledgeable, responsible representative(s) to meet and negotiate in good faith to agree upon new Key Numbers. The Customer and Telephone Company intend that these negotiations be conducted by non-lawyer, business representatives. The location, form, frequency, duration and conclusion of these discussions shall be left to the discretion of the representatives;

(c) The Customer and Telephone Company shall endeavor to reach agreement upon the new Key Numbers within one hundred twenty (120) days of the Option Exercise Date; and

(d) If the Customer and Telephone Company cannot mutually agree upon new Key Numbers within timelines outlined above, and the Customer does not wish to continue according to the rates terms and conditions of this Contract Offer Subscription, the Customer may terminate the Contract Offer Subscription by giving thirty (30) days written notice to the Telephone Company. Upon such termination, the Telephone Company (N) shall bill the Customer, and the Customer shall pay to the Telephone Company, termination liability charges as described below:

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (ii): (Cont'd)

(d)(Cont'd)

(a) For termination that occurs between twelve (12)and twenty-four (24) months after the effective Date, eighty percent (80%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 1; or

(b) For termination that occurs after the first twenty-four (24) months after the Effective Date, fifty percent (50%) of all IDCC provided to the Customer pursuant to this Contract Offer No. 1.

Option (iii): The Contract Offer Subscription shall be terminated as set forth in Section 23.1.8(A).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets

If Customer is required by a regulatory agency to divest any markets, market spectrum or customers ("Divested Market") in connection with a Transfer, the Customer can request that Key Numbers be recalculated by the Telephone Company. The Customer must send written notice to the Telephone Company within sixty (60) days of completing a market divestiture. The date the Customer sends that written notice shall be the "Divestiture Notice Date". The Telephone Company will recalculate the Key Numbers as described below:

(1) The Baseline MARC, IDC and IDCC amounts will be reduced by either of the following methods, at the Customer's discretion ("Divested Revenue"):

(a) One hundred percent (100%) of the Divested Market's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the notification multiplied by four (4); or

(b) A revenue amount that is less than the amount determined under subparagraph (a) above. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets(Cont'd)

(2) The IDCCs will be reduced according to the following steps:

Step 1.

Determine the impact on total revenue by calculating the "Divestiture Percentage". The Divestiture Percentage is the percent change between the Pre-Divest and Post-Divest revenues. The "Pre-Divest Revenue" equals 100% of the Customer's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Divestiture Notice Date multiplied by four (4) or the Baseline MARC, whichever is greater. The "Post-Divest Revenue" equals Pre-Divest Revenue minus the Divested Revenue from (B)(1).

Example:
Pre-Divest Revenue = $1,700,000
Divested Revenue = $ 100,000
Post-Divest Revenue = $1,600,000
($1,700,000 - $100,000)

Divestiture Percentage = 6%
(1-($1,600,000/$1,700,000))

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(2)(Cont'd)

Step 2.

The Divestiture Percentage will equal the percent reduction in the IDCs and IDCCs which remain available to the Customer.

Example:
IDCC-Level equals 5
Divestiture % = 6%

Reduced IDC = $1,598,000
($1,700,000 – ($1,700,000 X .06))

Reduced IDCC = $233,496
($248,400 – ($248,400 X .06))

(3) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Divestiture Notice Date. The recalculated Key Numbers will become effective once the Divested Market's billed, recurring revenues for Qualified Access Service are no longer being billed to the Customer ("Divestiture Effective Date"). Starting with the remaining quarters of the Term Year as of the Divestiture Effective Date, the recalculated Key Numbers will be used to determine the applicable IDCC.

(a) If the Divestiture Effective Date falls within the 1st, 2nd or 3rd quarter of the respective Term Year, the initial credit application of any eligible Reduced IDCC will occur thirty (30) days after the Key Numbers are effective or thirty (30) days in arrears of the end of the quarter, whichever is later; or, (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.6 WAMS-VIP Offer Mergers/Acquisitions (Cont'd)

(B) Sale of Markets (Cont'd)

(3) (Cont'd)

(b) If the Divestiture Effective Date falls within the fourth quarter of the respective Term Year, the initial credit application of any eligible reduced IDCC will occur thirty (30) days after the Key Numbers are determined or sixty (60) days in arrears of the end of the quarter, whichever is later.

23.1.7. WAMS-VIP Cell-Site Performance – Credits

(A) Description

Cell-Site Performance Improvement Credits are available to the Customer based upon the quality of service delivered during the Term Period, as set forth in subparagraph (2) below. The credits will be granted in the event that the Telephone Company's Contract Offer No. 1 service performance level objectives for cell-site DS1 Qualified Access Services are not met.

(1) The DS1 Qualified Access Services cell-site performance level parameters will be based on DS1 Percentage of Network Availability. The DS1 Percent of Network Availability will be calculated by determining the actual hours that the cell-site DS1 circuits are in service during a given month compared to the total expected availability, and then aggregating those total hours over the course of a Term Year.

Example:

If a Customer had 100 circuits in service at the end of January and 110 at the end of February, their total hours of expected availability would be (31 days times 100 circuits, times 24 hours) plus (28 days, times 110 circuits, times 24 hours) or 148,320. This would be the denominator of the network availability equation.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(A) Description (Cont'd)

(1) Example: (Cont'd)

The numerator would be the total hours of outage based upon measured tickets reported to the Telephone Company subtracted from the 148,320. If there were eight (8) reported failures averaging 3.5 hours per outage, the total hours of outage would be equal to twenty-eight (28). The resulting availability equation for those two (2) months will be ((148,320-28)/148,320) or 99.981%. A twelve (12) month aggregation using the same process as noted for two (2) months will be used to determine annual percent availability for a Customer.

(2) Table C below provides cell-site service performance targets, based on DS-1 Percentage of Network Availability, for each Term Year.

Table C

Term Year	% Network Availability
1	99.9800%
2	99.9840%
3	99.9877%
4	99.9900%
5	99.9900%
6	99.9900%
7	99.9900%

(B) At the Annual True-Up, if the Telephone Company annual results fail to meet the performance target, as specified in Table D above, and the Customer has met the Baseline MARC, the Telephone Company will provide credits and services as follows: (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.7 WAMS-VIP Cell-Site Performance – Credits (Cont'd)

(B)(Cont'd)

(1) The Telephone Company will apply one hundred dollars ($100) in special construction credits for each measured trouble ticket reported to the Telephone Company during the Term Year for cell-site improvements. The special construction credits will be used to improve performance at mutually agreed upon Customer's cell sites that are performing below the DS-1 Percentage of Network Availability as specified in Table D above.

For example: special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell-sites; and,

(2) The Telephone Company will provide Customer the ability to purchase Automatic Loop Transfer service at twenty-five percent (25%) discount off the monthly recurring rates described in F.C.C. No. 1, Section 31.5.2 for those cell sites that fail to meet the performance target, as specified in Table D above.

23.1.8 Termination

The Customer's subscription to this Contract Offer No. 1 shall terminate if Customer gives notice to Telephone Company, as set forth in the following paragraph, and as set forth in other sections of this Contract Offer No. 1.

The termination liability charges described below shall apply if termination occurs because the Customer does not make a Shortfall Payment as described in Section 23.1.5(B)(1) and/or the Customer elects to terminate its subscription to Contract Offer No. 1 for reasons other than described in Section 23.1.6(A)(4) option(ii) and/or 23.1.8(B).

If the Customer elects to terminate its Contract Offer Subscription during the Term Period, written notification must be provided to the Telephone Company indicating the Customer's intention to terminate its Contract Offer Subscription. This notification must include the date upon which the Customer wishes to terminate its Contract Offer Subscription.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.8 Termination (Cont'd)

(A) Termination Liability

Termination liability charges will consist of the sum of the following:

(1) Ten percent (10%) of the Baseline MARC divided by twelve (12)) then multiplied by the number of months remaining in the Term Period; plus
(2) Repayment of the IDCC, given under Contract Offer No. 1 during the three (3) quarters preceding the termination date.

Example:

Customer with a Baseline MARC of $1,176,000 and an IDC of $1,416,000 terminates its Contract Offer Subscription after forty-eight (48) months and with thirty-six (36) months remaining in the eighty-four (84) month Term Period, and the Customer received IDCC $127,440 for the previous three quarters before termination. The termination liability charges would be:

(($1,176,000/12) X 10% X 36) + ($127,440) = $480,240 termination liability charge.

(B) Rate Reductions

If the tariffed rates for the Qualified Access Services are reduced by a cumulative total of twenty percent (20%) from the tariffed rates in effect as of the Effective Date (Initial Tariff Rates), either party may terminate the Contract Offer Subscription by providing a sixty (60) day written notice to the other party. Termination liability charges will not apply.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.1.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

To determine whether the 20% rate reduction has been met or exceeded, the Telephone Company shall perform an analysis within sixty (60) days following the Effective Date that details the Customer's inventory of Qualified Access Services and the Initial Tariff Rates (Initial Rate Analysis.)

Example: DS1-Initial Rate Analysis

Product Category/ Description	State	Zone	Term	Rate	Units	Total
DS1 - Channel Termination (CT)	CA	2	36	$25.00	4,000	$100,000
DS1 - Channel Mileage (CM-Fixed)				$21.00	1,600	$33,600
DS1 - Channel Mileage (CM-Per Mile)				$16.40	1,000	$16,400
DS1 Total					6,600	$150,000

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.1 Contract Offer No. 1 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

32.1.8 Termination (Cont'd)

(B) Rate Reductions (Cont'd)

Telephone Company shall also perform a similar exercise within sixty (60) days following each Term Year detailing the Customer's inventory from the Initial Rate Analysis and the end-of-year tariff rates (EOY Rate Analysis). The Customer and Telephone Company will then compare the Initial Rate Analysis to the EOY Rate Analysis to identify the percent change in the total, cumulative rates, if any.

Example: Initial Rate Analysis and EOY Rate Analysis Comparison

Product Category	Units	Initial Tariff Rates	EOY Tariff Rates	% Rate Change
DS1	6600	$150,000	$122,000	
DS3	2000	$ 90,000	$ 70,000	
SONET	N/A	N/A	N/A	
Total	8600	$240,000	$192,000	20%

20% = (1-($192,000/$240,000))

The quantity of units for each product category used in the Initial Rate Analysis and the EOY Rate Analysis will be calculated from the Qualified Access Service rate elements listed below:

(1) DS1 – Channel Terminations (CT), Channel Mileage (CM) fixed and Channel Mileage (CM) per mile;

(2) DS3 – CT, CM fixed, CM per mile and Multiplexing (MUX); and

(3) SONET – Not applicable.

(N)

(This page filed under Transmittal No. 75)

(N)

23. Pricing Flexibility Contract Offerings

23.2 Contract Offer No. 2 – Special Access Service Offer

23.2.1 General Description

(Nx)

The Special Access Service Offer (Contract Offer No. 2) is an access discount pricing plan requiring subscription from Customers under the following Access Tariffs: Ameritech Operating Companies Tariff F.C.C. No 2., Southwestern Bell Telephone Company Tariff F.C.C. No. 73, The Southern New England Telephone Company Tariff F.C.C. No. 39, Pacific Bell Telephone Company Tariff F.C.C. No. 1. and Nevada Bell Telephone Company Tariff F.C.C. No. 1. The plan requires Customers to maintain a Minimum Annual Revenue Commitment (MARC) for five (5) years. Contract Offer No. 2 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 Nevada Bell Telephone Company (NBTC) are listed in Section 23.2.3(B). The Customer must meet the Eligibility Criteria as described in Section 23.2.2 and the Terms and Conditions as described in Section 23.2.3.

(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 23.2.4(D), otherwise termination liability charges will apply. Contract Offer No. 2 will only be available November 17, 2004 through January 17, 2005.

23.2.2 Eligibility Criteria

The following Eligibility Criteria must be met in order to receive Contract Offer No. 2 discounts:

(A) Contract Offer No. 2 is only available for services located in the following Metropolitan Statistical Areas (MSAs): Reno, NV

If the Telephone Company receives pricing flexibility relief in 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 23.2.4.

(B) The Customer cannot subscribe to this Contract Offer concurrently with SBC’s MVP offering in Section 22.

(C) The Customer must have a minimum of $18.5 million in cumulative annual recurring revenue for Voice Grade(VG), Digital Data (DS0), High Capacity (DS1 and DS3), Optical Carrier Network (OCN) Point-to-Point (PTP), and Gigabit Ethernet Metropolitan Area Network (GigaMAN) Services from this Contract Offer and the Contract Offers listed in Section 23.2.3 (A). (N)

(x)issued under Authority of Special Permission Authority No. 04-075 of F.C.C.

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.2 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 23.2.3(H) and will be measured monthly.

23.2.3 Terms and Conditions (Nx)

(A) Concurrent Subscription

The Customer must concurrently subscribe to the parallel Contract Offers of Contract Offer No. 23 pursuant to the following tariffs:

(1) Pacific Bell, Tariff F.C.C No. 1, Section 33, Contract Offer No. 34.
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 43.
(3) Southwestern Bell Tariff F.C.C. No. 73, Section 41, Contract Offer No. 31.
(4) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 6. (Nx)

(B) Subject Services

Contract Offer No. 2 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) VG/DS0 Services - NBTC Tariff F.C.C. No. 1, Sections 7.7.6, 7.10.5 for Phase I MSAs, and Sections 22.5.2.1, 22.5.2.4 for Phase II MSAs;
(2) DS1/DS3 Service - NBTC Tariff F.C.C. No. 1, Section 7.11.5.3 for Phase I MSAs and Section 22.5.2.5, 22.5.2.6, 22.5.2.11 for Phase II MSAs;
(3) OCN PTP OC48/OC48c/OC192 Service – NBTC Tariff F.C.C. No. 1, Section 21.3 and Section 22.5.2.10 for Phase II
(4) GigaMAN Service – NBTC Tariff F.C.C. No. 1 Section 7.3.12 for Phase I MSAs and Section 22.5.2.7 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 23.2.4. (N)

(x)issued under Authority of Special Permission Authority No. 04-075 of F.C.C.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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. 2 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 23.2.4 and the application of discounts is detailed in Section 23.2.5.

(E) General

Services are subject to certain rates, charges, and general terms and conditions in other sections of F.C.C. Tariff No. 1, 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 Terms and Conditions described in this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 - DS1, DS3, SONET Service Offer (Cont'd)

23.2.3 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 23.2.8.

If the Customer fails to maintain any of the Terms and Conditions detailed in Section 23.2.3, 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 23.2.8.

(G) Minimum Annual Revenue Commitment (MARC)

Customer must maintain a MARC (as described in Section 23.2.4) for each year in the Term Period of this Contract Offer.

(H) Access Service Ratio

As referenced in Section 23.2.2(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	7.7.1-5
DS0, DS1, DS3 Services	7.10.1-4, 7.11.1-5
OCN PTP	21.1, 21.2
GigaMAN	7.13.1-11

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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 23.2.8.

(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 23 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 23.2.8 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes).

(N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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 2.5 and Section 23.2.3 (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 23.2.4 (B). Customer shall not incur any termination liability under the relevant tariffs as a result of adding any such Company Code(s).

23.2.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

Under Contract Offer No. 2, 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 23.2.3 (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 23.2.3 (C)) for all Subject Services identified in Section 23.2.3 (B) from the SBC Tariffs identified in Section 23.2.3 (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.

(This page filed under Transmittal No. 79) (N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 23.2.2, 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 23.2.4 (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:

Revenue from Existing Services:

(1) 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 23.2.3 (L) will be included in the calculation used to achieve the MARC effective upon the commencement of the Term Period. (N)

N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 3.2.3(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 23.2.3(C)) shall be eligible for the MARC discounts as detailed in Section 23.2.5 (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 23.2.5 (A)(2) or win-back credits detailed in Section 23.2.5 (E). (N)

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(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

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

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

(2) Revenue from Subsequently Added Services (Cont'd)

(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 23.2.4 (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 23.2.3(C)). The recurring revenue from Subject Services of these Company Codes shall be eligible for the MARC discounts detailed in Section 23.2.5 (A),the above the MARC discounts detailed in Section 23.2.5 (A)(2) and the win-back credits detailed in Section 23.2.5 (E). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 Mergers and Acquisition provisions discussed in Section 23.2.7 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 23.2.5(B) shall 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 will no longer apply as detailed in Section 23.2.5(B). If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 23.2.7, 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 23.2.2, Terms and Conditions in Section 23.2.3 and the quarterly MARC schedule in Table D Section 23.2.5 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 23.2.5. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 23.2.8.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.5 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))

(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 23.2.5 (A)(2) below. Recurring revenue from Company Codes added pursuant to Section 23.2.3 (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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.5 Discounts and Other Credits (Cont'd)

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

(1) (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 23.2.3 (L) or Section 23.2.7. (N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.5 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 23.2.4 (C)

TABLE E:

MARC 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.5 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, and GigaMan 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 23.2.2 and the Terms and Conditions of this Contract Offer as specified in Section 23.2.3. If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 23.2.4 (A) and fails to pay the Annual True-Up as defined in Section 23.2.4(D), 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 23.2.2, and Terms and Conditions in Section 23.2.3 have been met. If the Customer fails to meet the MARC on each contract anniversary date pursuant to Section 23.2.4 (A) and fails to pay the Annual True-Up as defined in Section 23.2.4 (D), the Customer will be back-billed the previous 12-months charges that were waived or credited for termination liability charges.

(1) The move, disconnect, and/or new service may be from any SBC Tariff as described in Section 23.2.1.

(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. 23, provided that the Eligibility Criteria in Section 23.2.2, and Terms and Conditions in Section 23.2.3 have been met. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(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 services 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 Criteria in Section 23.2.2 and Terms and Conditions in Section 23.2.3 have been met.

(4) OC48 and OC192 PTP 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 the 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 23.2.2 and Terms and Conditions in Section 23.2.3 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 Point to Point 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.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.5 Discounts and Other Credits (Cont'd)

(E) Winback (Cont'd)

(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.

23.2.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, 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. 1, 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. (N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 2 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 23.2.4 (A) or Calculations to Achieve the MARC discussed in Section 23.2.4 (B), except as permitted by one of the provisions in this subsection.

The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 23.2.2 and 23.2.3 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 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 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 23.2.4 (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.

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 23.2.4 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. (N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.7 Mergers and Acquisitions (Cont'd)

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 23.2.5 (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 23.2.5 (A) (2) for revenue above the new combined MARC. (N)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 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 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 23.2.3 (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 23.2.4 (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 23.2.3 (H).

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 23.2.8. 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 23.2.3 (H) and the contract will not be considered in default, however, each party shall take all reasonable steps to comply as soon as possible.

(N)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 Merger and Acquisition Provisions (Cont'd)

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

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)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 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 23.2.7.1 (A) (1) (d). (N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 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 other company involved in the merger or acquisition (on the date this option is selected) for Subject Services 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 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 23.2.3 (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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not 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, for the other company involved in the merger or acquisition (from this date this option is selected) 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 Date using the following calculation:

(i) The last three (3) months (at the time of the calculation) of 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 23.2.7 (A) (4).

(N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not 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 by the Telephone Company to the Customer's existing 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 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 from 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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.8 Termination Liability

(A) Termination Liability Charges

If the Customer terminates Contract Offer No. 2 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 23.2.2, or fails to meet any of the Terms and Conditions in Section 23.2.3, 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. 2 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Section 2.4.

The Customer's termination liability charge shall be equal to: 100% of all Discounts under Contract Offer No. 2 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.

(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.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.8 Termination Liability (Cont'd)

(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 23.2. 2 and all Terms and Conditions in Section 23.2.3 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 23.2.4 (C).

(C) This Section 23.2.8 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 23, 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 23.2.5 (C) and (D). (N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.2 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 23.2.3(H) and will be measured monthly.

23.2.3 Terms and Conditions (Nx)

(A) Concurrent Subscription

The Customer must concurrently subscribe to the parallel Contract Offers of Contract Offer No. 23 pursuant to the following tariffs:

(1) Pacific Bell, Tariff F.C.C No. 1, Section 33, Contract Offer No. 34.
(2) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 43.
(3) Southwestern Bell Tariff F.C.C. No. 73, Section 41, Contract Offer No. 31.
(4) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 6. (Nx)

(B) Subject Services

Contract Offer No. 2 applies to pricing-flexibility-qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) VG/DS0 Services - NBTC Tariff F.C.C. No. 1, Sections 7.7.6, 7.10.5 for Phase I MSAs, and Sections 22.5.2.1, 22.5.2.4 for Phase II MSAs;
(2) DS1/DS3 Service - NBTC Tariff F.C.C. No. 1, Section 7.11.5.3 for Phase I MSAs and Section 22.5.2.5, 22.5.2.6, 22.5.2.11 for Phase II MSAs;
(3) OCN PTP OC48/OC48c/OC192 Service – NBTC Tariff F.C.C. No. 1, Section 21.3 and Section 22.5.2.10 for Phase II
(4) GigaMAN Service – NBTC Tariff F.C.C. No. 1 Section 7.3.12 for Phase I MSAs and Section 22.5.2.7 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 23.2.4. (N)

(x)issued under Authority of Special Permission Authority No. 04-075 of F.C.C.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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. 2 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 23.2.4 and the application of discounts is detailed in Section 23.2.5.

(E) General

Services are subject to certain rates, charges, and general terms and conditions in other sections of F.C.C. Tariff No. 1, 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 Terms and Conditions described in this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 - DS1, DS3, SONET Service Offer (Cont'd)

23.2.3 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 23.2.8.

If the Customer fails to maintain any of the Terms and Conditions detailed in Section 23.2.3, 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 23.2.8.

(G) Minimum Annual Revenue Commitment (MARC)

Customer must maintain a MARC (as described in Section 23.2.4) for each year in the Term Period of this Contract Offer.

(H) Access Service Ratio

As referenced in Section 23.2.2(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	7.7.1-5
DS0, DS1, DS3 Services	7.10.1-4, 7.11.1-5
OCN PTP	21.1, 21.2
GigaMAN	7.13.1-11

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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 23.2.8.

(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 23 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 23.2.8 will apply. Credits will not be issued until the Customer has paid all billed charges (excluding disputes).

(N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.3 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 2.5 and Section 23.2.3 (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 23.2.4 (B). Customer shall not incur any termination liability under the relevant tariffs as a result of adding any such Company Code(s).

23.2.4 Minimum Annual Revenue Commitment (MARC)

(A) Calculation of the MARC

Under Contract Offer No. 2, 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 23.2.3 (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 23.2.3 (C)) for all Subject Services identified in Section 23.2.3 (B) from the SBC Tariffs identified in Section 23.2.3 (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.

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(N)

23. Pricing Flexibility Contract Offerings (Cont’d)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont’d)

23.2.4 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 23.2.2, 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 23.2.4 (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:

Revenue from Existing Services:

(1) 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 23.2.3 (L) will be included in the calculation used to achieve the MARC effective upon the commencement of the Term Period.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 3.2.3(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 23.2.3(C)) shall be eligible for the MARC discounts as detailed in Section 23.2.5 (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 23.2.5 (A)(2) or win-back credits detailed in Section 23.2.5 (E).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

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

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

(2) Revenue from Subsequently Added Services (Cont'd)

(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 23.2.4 (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 23.2.3(C)). The recurring revenue from Subject Services of these Company Codes shall be eligible for the MARC discounts detailed in Section 23.2.5 (A),the above the MARC discounts detailed in Section 23.2.5 (A)(2) and the win-back credits detailed in Section 23.2.5 (E). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 Mergers and Acquisition provisions discussed in Section 23.2.7 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 23.2.5(B) shall 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 will no longer apply as detailed in Section 23.2.5(B). If the Customer uses the MARC adjustment option in conjunction with any of the Merger and Acquisition options outlined in Section 23.2.7, 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 23.2.2, Terms and Conditions in Section 23.2.3 and the quarterly MARC schedule in Table D Section 23.2.5 have been met prior to the MARC adjustment, and certain provisions will no longer apply as detailed in Section 23.2.5. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.4 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 23.2.8.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.5 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))

(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 23.2.5 (A)(2) below. Recurring revenue from Company Codes added pursuant to Section 23.2.3 (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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.5 Discounts and Other Credits (Cont'd)

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

(1) (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 23.2.3 (L) or Section 23.2.7. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.5 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 23.2.4 (C)

TABLE E:

MARC 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.5 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, and GigaMan 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 23.2.2 and the Terms and Conditions of this Contract Offer as specified in Section 23.2.3. If the Customer fails to meet the MARC on a contract anniversary date pursuant to Section 23.2.4 (A) and fails to pay the Annual True-Up as defined in Section 23.2.4(D), 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 23.2.2, and Terms and Conditions in Section 23.2.3 have been met. If the Customer fails to meet the MARC on each contract anniversary date pursuant to Section 23.2.4 (A) and fails to pay the Annual True-Up as defined in Section 23.2.4 (D), the Customer will be back-billed the previous 12-months charges that were waived or credited for termination liability charges.

(1) The move, disconnect, and/or new service may be from any SBC Tariff as described in Section 23.2.1.

(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. 23, provided that the Eligibility Criteria in Section 23.2.2, and Terms and Conditions in Section 23.2.3 have been met. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.5 Discounts and Other Credits (Cont'd)

(D) Portability (Cont'd)

(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 services 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 Criteria in Section 23.2.2 and Terms and Conditions in Section 23.2.3 have been met.

(4) OC48 and OC192 PTP 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 the 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 23.2.2 and Terms and Conditions in Section 23.2.3 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 Point to Point 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.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.5 Discounts and Other Credits (Cont'd)

(E) Winback (Cont'd)

(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.

23.2.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to F.C.C. No. 1, 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. 1, 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. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions

The Terms and Conditions of Contract Offer No. 2 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 23.2.4 (A) or Calculations to Achieve the MARC discussed in Section 23.2.4 (B), except as permitted by one of the provisions in this subsection.

The Customer must be meeting MARC commitments and all Eligibility Criteria and Terms and Conditions outlined in Sections 23.2.2 and 23.2.3 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 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 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 23.2.4 (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.

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 23.2.4 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. (N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.7 Mergers and Acquisitions (Cont'd)

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 23.2.5 (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 23.2.5 (A) (2) for revenue above the new combined MARC. (N)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 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 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 23.2.3 (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 23.2.4 (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 23.2.3 (H).

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 23.2.8. 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 23.2.3 (H) and the contract will not be considered in default, however, each party shall take all reasonable steps to comply as soon as possible.

(N)

(N)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 Merger and Acquisition Provisions (Cont'd)

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

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)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 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 23.2.7.1 (A) (1) (d).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 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 other company involved in the merger or acquisition (on the date this option is selected) for Subject Services 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 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 23.2.3 (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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not 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, for the other company involved in the merger or acquisition (from this date this option is selected) 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 Date using the following calculation:

(i) The last three (3) months (at the time of the calculation) of 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 23.2.7 (A) (4).

(N)

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

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.7 Mergers and Acquisitions (Cont'd)

23.2.7.1 Merger and Acquisition Provisions (Cont'd)

(B) Mergers and Acquisitions – Access Services Ratio Not 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 by the Telephone Company to the Customer's existing 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 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 from 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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd)

23.2.8 Termination Liability

(A) Termination Liability Charges

If the Customer terminates Contract Offer No. 2 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 23.2.2, or fails to meet any of the Terms and Conditions in Section 23.2.3, 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. 2 and termination liability charges will apply as stated below and will be payable pursuant to F.C.C. No. 1, Section 2.4.

The Customer's termination liability charge shall be equal to: 100% of all Discounts under Contract Offer No. 2 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.

(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.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.2 Contract Offer No. 2 – Special Access Service Offer (Cont'd) (N)

23.2.8 Termination Liability (Cont'd)

(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 23.2. 2 and all Terms and Conditions in Section 23.2.3 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 23.2.4 (C).

(C) This Section 23.2.8 sets forth the sole and exclusive remedies for termination of this Contract Offer No. 23, 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 23.2.5 (C) and (D). (N)

(N)

23. Pricing Flexibility Contract Offerings

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer

(N)

23.3.1 General Description (Nx)

Contract Offer No. 3 – 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 23.3.4 (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 23.3.4 (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 23.3.5, 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 23.3.3 (A). Contract Offer No. 3 is available for subscription from July 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.2 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), NBTC Tariff F.C.C. No. 1, Section 7.11.5 for Phase 1 MSAs and Section 22.5.2.5 for Phase 2 MSAs;
(2) OCN Point to Point (OC-3, OC-12), NBTC Tariff F.C.C. No. 1, Section 21.3 for Phase 1 MSAs and Section 22.5.2.10 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.

23.3.3 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:

Reno, NV

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 23.3.4 (E) of this Contract Offer.

(N)

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

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.3 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 23.3.3 (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 23.3.3 (B) of this Contract Offer. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 NBTC Tariff F.C.C. No. 1.

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 NBTC Tariff F.C.C. No. 1. (N)

(B) Subscription (Nx)

(1) Contract Offer No. 3 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 23.3.3.

(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) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 15;
(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.

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

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 NBTC Tariff F.C.C. No. 1, Section 5-Ordering Options for Switched and Special Access Services.

(2) Subject Services provided under this Contract Offer shall also be subject to certain rates, charges and general terms and conditions set forth in NBTC Tariff F.C.C. No. 1, Sections: 2-General Regulations, 5-Ordering Options for Switched and Special Access Service, and 13-Additional Engineering, Additional Labor and Miscellaneous 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 23.3.10 of this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 23.3.10 of this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 23.3.5.

(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 23.3.3 (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 NBTC Tariff F.C.C. No. 1, Sections 7.11 and 22.5.2; 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 23.3.4 (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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 commencement of the Term Period.

(b) The PVC Level will be reset after each PVC Attainment Review, as described below in Section 23.3.4 (G) (2) (c).

(c) The PVC Level can not be reduced, except as provided by the PVC Reduction Option described in Section 23.3.4 (G) (5) of this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 23.3.4 (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)

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

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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)

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

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.4 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 23.3.4 (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 23.3.4 (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

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(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.5 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 23.3.7 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.5 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 23.3.5 (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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.5 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 23.3.5 (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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.6 Termination Liability Credits for Renewed Level I Circuits

If the customer renews a Level I circuit as provided in Section 23.3.5 (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 23.3.5 (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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.7 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
Reno, NV

(N)

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

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.7 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 NBTC Tariff F.C.C. No. 1.

Rate Element	Applicable USOC	TSA_1	TSA_2	TSA_3
DS3 Service				
Channel Termination	Z3MAC	n/a	n/a	$900.00
Channel Termination	Z3MAP	n/a	n/a	$900.00
Channel Mileage Termination	1L5XX	n/a	n/a	$332.50
Channel Mileage Termination	1L5XX	n/a	n/a	$35.00
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 – 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 – per mile	1L5XX	n/a	n/a	$220.00

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.7 Rates and Charges (Cont'd)

(C) Nonrecurring Charges (NRC)

The Customer must pay the applicable NRC for installation and rearrangement as listed below. Any NRC not listed below will continue to be billed at the applicable tariff rates as described in NBTC Tariff F.C.C. No. 1.

Description	**Applicable USOC**	**NRC**
DS3 Service		
Channel Termination	Z3MAC	$0.00
Channel Termination	Z3MAP	$0.00

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to NBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 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.

23.3.9 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 – Broadband Plan - Service Offer (Cont'd)

23.3.10 Termination Liability

If Customer terminates this Contract Offer the termination liability language contained below applies in lieu of the termination liability language described in NBTC Tariff F.C.C. No. 1. 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 23.3.4. 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 23.3.4 (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 NBTC Tariff F.C.C. No. 1.

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)

(N)

23. Pricing Flexibility Contract Offerings

23.4 Contract Offering No. 4 – 2005 Access Extension Offer

23.4.1 General Description (N)

(Nx)

Contract Offer No. 4 – 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 23.5.2 and also must comply with all terms and conditions of this Contract Offer. (Nx)

(N)

Contract Offer No. 4 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 23.4.6 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 23.4.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 23.4.5, 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 23.4.5 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.

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

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.2 Eligibility Criteria (N)

(Nx)

The following eligibility criteria must be met to subscribe to Contract Offer No. 4:

(A) Managed Value Plan (MVP) Subscription

(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 23.4.5, 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. 4. (N)

(Nx)

(C) Concurrent Subscription

The Customer must concurrently subscribe to the identical contract offer of Contract Offer No. 4 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) The Southern New England Telephone Company Tariff F.C.C. No. 39, Section 25, Contract Offer No. 18; and
(4) Pacific Bell Tariff F.C.C. No. 1, Section 33, Contract Offer No. 65. (Nx)

(N)

(D) Discounts applied under Contract Offer No. 4 are applicable for services located in MSAs as listed in Tariff F.C.C. No. 1, Section 22. (N)

(x) Issued under Authority of Special Permission No. 05-037 of F.C.C.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.3 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 23.4.6 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. 4, 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 23.4.7 (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 23.4.7(B).

(3) MVP credits will continue to apply, if applicable. The MVP MATA process will take place as part of the first true-up described in Section 23.4.7 herein.

(4) Contract Offer No. 4 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)

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

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(6) Customer will be eligible to subscribe to contract offers in Section 23 (or any successor section) filed prior to (providing the subscription window is still open) or after Contract Offer No. 4, as long as such contract offers do not reduce the TRC under Contract Offer No. 4 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. 1, except as noted herein.

(9) The 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.

(10) The Customer must submit a completed Letter of Subscription (LOS) to the Qualified Companies as described in 23.4.3(A).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.3 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 23.4.4 and will be measured monthly.

(12) The Customer must remit bill payments as described in F.C.C. No. 1 Section 2.4.1 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 23.4.11 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. 4 during the Term Period, termination liability charges will apply in accordance with Section 23.4.11. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.4 Access Service Ratio

(A) As referenced in Section 23.4.3, 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	7.7.1
Generic Digital Transport (DS0), High Capacity (DS1 and DS3) Services	7.10.1 & 7.11.1
Optical Carrier Network	21.1
GigaMAN	7.13.1

(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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.4 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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(4) As new rate elements are introduced to Table 2 in Section 23.4.4(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 23.4.4(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. 4. In the event of a termination by Qualified Companies, termination liability charges will apply as set forth in Section 23.4.11 following.

Credits will not be issued until the Customer has met the 95 percent Access Service Ratio.

23.4.5 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 23.4.5, Table 3, herein in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 23.4.5, 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. 4 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. 1, Section 22. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.5 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 23.4.6 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 23.4.6 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 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's TRC will be established based on billed revenue from Contributory Services, as listed in Section 23.4.5, net of all discounts, credits, and adjustments as specified in Section 23.4.6 (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 23.4.6 (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 23.4.5 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 23.4.5 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 23.4.6(A)(6).

(3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 23.4.5 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 23.4.6(A)(6) below.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 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 6.7.1(D)1
Direct Trunk Transport	Section 6.7.1(D)2

(6) Non-recurring charges detailed in 23.4.6(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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 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 23.4.6(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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 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. 4, 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 23.4.8 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 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 23.4.2(C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 4.

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 23.4.5 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 23.4.6 preceding, measured at the final true-up period described in Section 23.4.7 below. 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)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(2) Achievement Credits (Cont'd)

(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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(3) Transfer of Qualified Services (Cont'd)

(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.

23.4.7 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 23.4.2 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 23.4.2 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 23.4.2 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 23.4.7(D). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.7 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 23.4.6(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's 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 23.4.7(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)

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

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.8 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 described in F.C.C. 1 Section 22.3(G), 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's 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.8 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.9 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 4 pursuant to F.C.C. No. 1, Section 2.1.2 of this Tariff, the Qualified Companies will acknowledge such transfer or assignment pursuant to the terms of F.C.C. No. 1, Section 2.1.2, 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.10 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. 4 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 23.4.9 above do not apply when the merger or acquisition occurs in accordance with the provisions outlined in this section 23.4.10.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.11 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 1, Section 7. If the Customer terminates Contract Offer No. 4 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 23.4.2, or fails to meet any of the terms and conditions in Contract Offer No 4, 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. 4, 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)

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

23.4 Contract Offering No. 4 – 2005 Access Extension Offer (Cont'd)

23.4.11 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)

23. Pricing Flexibility Contract Offerings (N)

23.5 Contract Offering No. 5 – Access Discount Offer

23.5.1 General Description (N)

(Nx)

Contract Offer No. 5 – Access Discount 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 (SWBT) Tariff F.C.C. No.73, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39, and Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1. To be eligible for discounts under this Contract Offer, the Customer must meet the Eligibility Criteria set forth in Section 23.5.2, and also must comply with all terms and conditions of this Contract Offer. (Nx)

(N)

Contract Offer No. 5 requires eligible customers to establish and maintain a Total Revenue Commitment (TRC), as described in Section 23.5.6 following. The TRC shall include all Contributory Services subject to this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 23.5.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 23.5.5, 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 23.5.5 must be purchased through the SBC wholesale sales channel (SBC Industry Markets). Any 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 web site established to make public any agreements for these services. Customers may reference https://www.sbcprimeaccess.com/shell.cfm?section=2501. (N) (Nx)

(Nx)

(N)

In the event the Customer does not meet its monthly TRC amount, the Customer must remit the shortfall payment via the Monthly True-Up process set forth in Section 23.5.6. If the Customer does not meet the total TRC amount at the end of each Contract Year of the Term Period, the Customer must remit the shortfall payment via the Annual True-Up process set forth in Section 23.5.8. 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) and cure any non-compliance within the cure period set forth in Section 23.5.13(A) of this Contract Offer, termination liability charges, in accordance with Section 23.5.13, will apply. Contract Offer No. 5 will be available only from November 19, 2005 through December 19, 2005. (N)

(x) Issued under Authority of Special Permission No. 05-060 of F.C.C.

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.2 Eligibility Criteria (N)

The following eligibility criteria must be met to subscribe to Contract Offer No. 5: (Nx)

(A) Managed Value Plan (MVP) Subscription

(1) At the time of subscription to this Contract Offer, the Customer must be, or have been, a participant under MVP agreements within the last 90 days, pursuant to:

(a) SWBT Tariff F.C.C. No. 73, Section 38;
(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. (N)

(3) All such MVP agreements must expire in 2005.

(B) As of December 1, 2005, the Customer must have billed revenue from Contributory Services, as listed in Section 23.5.5, net of all discounts, credits, and adjustments equal to or greater than 86.5 percent of the Customer's Gross Spend (as defined in Section 23.5.6) for the calendar year 2004, rounded to the nearest million, times 11/12's; or, if the Customer's Gross Spend as of December 1, 2005 is less than that amount, the Customer must pay the Telephone Company, or any of its affiliated telephone companies as described in Section 23.5.2(C), an additional amount sufficient to make up the shortfall from that amount, no later than 60 days after December 1, 2005.

(C) Concurrent Subscription (N)

The Customer must concurrently subscribe to the identical Contract Offer of Contract Offer No. 5 pursuant to the following tariffs: (Nx)

(1) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 90;
(2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 74;
(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 22; and
(4) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 66. (Nx)

Breach, cancellation or termination of any of these Contract Offers after the expiration of any cure provisions described in this Contract Offer, shall constitute a breach, cancellation or termination of all of these Contract Offers. (N)

(D) Discounts applied under Contract Offer No. 5 are applicable for Contributory Subject Services located in MSAs as listed in Tariff F.C.C. No. 1, Section 22.

(x) Issued under Authority of Special Permission No. 05-060 of F.C.C. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.3 Terms and Conditions

(A) Term Period

The term of this Contract Offer (Term Period) will begin on December 1, 2005 and end on December 31, 2007, upon submission of a signed Letter of Subscription.

(B) Terms and Conditions

(1) The Customer must establish and maintain a TRC as described in Section 23.5.6.

(2) A True-up will take place each month during the Term Period and annually at the end of each Contract Year, as defined in Section 23.5.6.

(a) With respect to each month's billing, the monthly true-up will include all qualified billing from Contributory Services, as described in 23.5.6(B), and will take place no later than 60 days after the end of the month, as described in Section 23.5.8,

(b) With respect to each Contract Year's billing, the annual true-up will include all qualified billing from Contributory Services, as described in Section 23.5.6, and will take place no later than 60 days after December 31, as described in 23.5.8,.

(3) MVP credits will continue to apply, if applicable, until expiration of the MVP agreement.

(4) Contract Offer No. 5 is available for subscription only from November 19, 2005 through December 19, 2005.

(5) Any Customer-requested transfer of services purchased from SBC non-wholesale entities or channels, or purchased by the Customer under a different Access Customer Name Abbreviation (ACNA) than those identified at time of subscription, will require an equivalent increase in the Customer's 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 this transfer.

(6) Any conversion of UNE or equivalent offerings to Contributory Subject Services, subject to this Contract Offer, will result in an increase in the TRC commitment equal to the revenue associated with those Contributory Subject Services and according to the rates that would apply to those Contributory Subject Services under this Contract Offer. This increase will apply to the TRC each subsequent year of the Term Period.

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(7) The Customer will be eligible to subscribe to contract offers in Section 23 (or any successor section) filed after Contract Offer No. 5, in combination with this Contract offer, unless such contract offer states that it may not be combined with other contract offers, or as long as such contract offers do not reduce the TRC under this Contract Offer and the Customer qualifies for, and adheres to the terms, conditions and eligibility requirements of the other contract offer.

(a) If the Customer has subscribed to any other contract offer and chooses to terminate the other contract offer for purposes of subscribing to this Contract Offer, any termination liabilities provided in the other contract offer will apply according to the terms of the other contract offer.

(b) If the Customer purchases Contributory Subject Services pursuant to another contract offer, in addition to this Contract Offer No. 5, the Customer will not be eligible to earn Achievement Credits with respect to any charges that apply under the other contract offer.

(c) If the Customer purchases Contributory Services pursuant to another contract offer that states it may not be combined with other contract offers, the Contributory Services purchased under the other contract offer will not count toward achievement of Gross Spend or TRC under this Contract Offer.

(8) The Customer may choose to remove from this Contract Offer services provided under one or more Access Customer Name Abbreviations (ACNA's) without liability; however, the TRC commitment will not be reduced and the Access Service Ratio under Contract Offer No. 5 will continue to apply.

(9) 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.

(10) Contributory Services continue to be governed by the otherwise applicable rates, terms and conditions provided in Tariff F.C.C. No. 1 except as noted herein.

(11) The Customer must subscribe to the services available under this Contract Offer in accordance with the regulations set forth in Section 5 – Ordering Options for Switched and Special Access Service.

(12) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company as described in Section 23.5.3(A). (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.3 Terms and Conditions (Cont'd)

(B) Terms and Conditions (Cont'd)

(13) The Customer must maintain an Access Service Ratio equal to or greater than 95 percent, except as described in Section 23.5.11 (B). The Access Service Ratio is defined in Section 23.5.4, and will be measured monthly.

(14) Commingling, as defined in Tariff F.C.C. No. 2, Section 2.6, of Subject Services under this Contract Offer, is prohibited.

(15) The Customer shall be permitted to Groom Contributory Subject Services subject to this Contract Offer as provided in this Section. Grooming is defined as moving, rearranging, or rolling over circuits subject to this Contract Offer without disconnecting the end user locations of those circuits. During Contract Years 2 and 3 (and during Years 4 and 5, if the Customer has exercised extension options), the Customer shall be permitted to Groom up to 9,000 circuits subject to this Contract Offer per year. The sum of all circuits groomed under the individual contract offers listed in Section 23.5.2 (C) cannot exceed 9,000. Grooms shall be scheduled and managed on a monthly basis according to the otherwise applicable operational methods and procedures.

(16) The Customer must remit bill payments as described in F.C.C. No. 1 Section 2.4 for all Contributory Services via electronic payment process. The Telephone Company will provide Customer with written notice if Customer fails to comply with the requirement. The Customer will have fifteen (15) business days from receipt of such 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 of any of the Contract Offers, as described in Section 23.5.2 (C), termination liability charges, as set forth in Section 23.5.13, will apply. Credits, if applicable, will not be issued until the Customer has paid all billed charges.

(17) If the Customer discontinues service under Contract Offer No. 5 during the Contract Period, termination liability charges will apply in accordance with Section 23.5.13.

(18) The Customer may exercise Contract Offer extension options as described in Section 23.5.9. (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.4 Access Service Ratio

(A) As referenced in Section 23.5.4, the Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater, except as described in Section 23.5.11(B) of this Contract Offer. 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, except as provided in Section 23.5.11.

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 the Telephone Company or its affiliated telephone companies in any of the Contract Offers as described in Section 23.5.2(C):

Table 1:

Service	General/Basic Description
Voice Grade	7.7.1
High Capacity Services	7.11.1
Optical Carrier Network (OCN)	21.1
GigaMAN	7.13.1

Any shortfall payments remitted to meet the monthly TRC commitment will be included in the Access Revenue calculation for the applicable month.

(2) Wholesale Revenue is the Customer's and its affiliates' recurring billed revenue for associated rate elements, as defined in Table 2 herein, from the Telephone Company or its affiliated telephone companies, in any of the Contract Offers as described in Section 23.5.2 (C) and not included in the interstate or intrastate access tariff(s). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.4 Access Service Ratio (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

Table 2 **UNE OR EQUIVALENT OFFERINGS NOT PURCHASED PURSUANT TO THIS AGREEMENT**

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/LTI	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 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) Services purchased pursuant to a Local Wholesale Complete (LWC) Agreement shall not be included in the calculation of the Customer's Access Service Ratio. (N)

23. Pricing Flexibility Contract Offerings (Cont’d) (N)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont’d)

23.5.4 Access Service Ratio (Cont’d)

(A) (Cont’d)

(4) 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.

(5) As new rate elements are introduced to Table 2 in Section 23.5.4(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 23.5.4(A) preceding, for calculation of the Access Service Ratio.

(6) Except as provided in Section 23.5.11, if the Customer fails to meet the Access Service Ratio in any given month of the Contract Period, upon notification from the Telephone Company as described in Section 23.5.2 (C), the Customer will have ten (10) business days to notify the Telephone Company 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 the Telephone Company shall have the right to terminate Contract Offer No. 5. In the event of a termination by the Telephone Company, termination liability charges will apply as set forth in Section 23.5.13.

Credits will not be issued for any month the Customer fails to meet the Access Service Ratio as described in Section 23.5.6 following.

23.5.5 Contributory Services

The TRC shall include all Contributory Services purchased from the Telephone Company and its affiliated telephone companies in any of the contract offers, as described in Section 23.5.2 (C), eligible under this Contract Offer. Contributory Services include Contributory Subject Services, as listed in Section 23.5.5, Table 3, herein, in addition to Contributory Non-Subject Services (that are not Contributory Subject Services), as described in Section 23.5.5, 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 Telephone Company and its affiliated telephone companies in any of the contract offers described in Section 23.5.2 (C), as listed in Table 3 and 4 below.

(A) Contributory Subject Services

Contract Offer No. 5 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. 1, Section 22. Contributory Subject Services are eligible for discounts and credits under this Contract Offer and are listed in Table 3. (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.5 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 below.

Table 3 – CONTRIBUTORY SUBJECT SERVICES

Contributory Subject Services	
Interstate Special Access	VG, DS0, DS1, DS3, OCN PTP, DSRS, SRAS, STN, FGTS, BCS, MON, Gigaman
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 23.5.6 following, for all services located in Pricing Flexibility MSAs.	

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
Interstate Switched Transport	Entrance Facility, Direct Transport as described in Table 6, following.
Intrastate Special Access	Equivalent services as Interstate Special Access above if available
Intrastate Switched Access	Equivalent services as described in Table 6 following.
Advanced Services	Frame Relay Service
Includes all Recurring and Non-Recurring Charges (including termination charges) associated with the products listed, where applicable, except as described in Section 23.5.6 following, for all non-price flex qualified services.	
Frame Relay services shall be provided pursuant to agreements and/or contracts. Such agreements and/or contracts shall be available for review at the web site established to make public any agreements for these services. Customers may reference https://www.sbcprimeaccess.com/shell.cfm?section=2501.	

(N)
(Nx)

(Nx)
(N)

All Terms and Conditions for all Contributory Services are governed by their respective tariff sections.

(N)

(x) Issued under Authority of Special Permission No. 05-060 of F.C.C.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 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's TRC will be established, as described in Table 5 below, based on billed revenue from Contributory Services, as listed in Section 23.5.5, net of all discounts, credits, and adjustments as specified in Section 23.5.6(B).

The Contract Year shall be each Calendar Year, or fraction thereof, to which this Contract Offer applies, as described in Table 5 below.

Table 5

Contract Year	2005 (Dec)	2006	2007
TRC equals	86.5% of 2004 Gross Spend described in (A) below, rounded to the nearest million dollars, times 1/12's	2005 TRC times 12 times 89.7%, rounded to the nearest million dollars	2005 TRC times 12 times 83.4%, rounded to the nearest million dollars

(A) Gross Spend shall include all billed revenue for services identified in Section 23.5.6(A), and shall be based on the sum of all of the purchases from the Telephone Company and its affiliated telephone companies, including all of the contract offers as described in Section 23.5.2 (C), as described in Section 23.5.5 preceding, based on billed revenue. The Gross Spend is calculated as billed revenue, prior to the application of MVP discounts, MVP Service Level Agreement (SLA) credits and Discount Value Plan (DVP) credits, but after all other tariff term plan discounts, and other underlying tariff performance credits.

(1) Interstate Special Access recurring charges billed to the Customer associated with services described in Section 23.5.5 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 23.5.6(A)(7).

(3) Intrastate Special Access recurring charges billed to the Customer associated with services described in Section 23.5.5 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 23.5.6(A) (7). (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 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 6 below.

Table 6

Service	General Basic Description
Entrance Facilities	Section 6.8.1
Direct Trunk Transport	Section 6.8.1

(6) Intrastate 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 and remitted for rate elements equivalent to those described in Table 6 above.

(7) Non-recurring charges identified in 23.5.6(A)(2), (4), (5) and (6) 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. For the purposes of this Contract Offer, Customer will receive any applicable credits (the Basic Credit and Achievement Credit) through the SBC wholesale sales channel for all of the contract offers as described in Section 23.5.2 (C). The sum of all Basic Credits applicable under the individual contract offers listed in Section 23.5.2 (C) cannot exceed the total maximum Basic Credit described in Table 7 following. Award of the credits described below under this Contract Offer shall satisfy the credit obligations of the Telephone Company and its affiliated telephone companies to the Customer, as described in Section 23.5.2(C).

(1) Basic Credit

The Basic Credit for each Contract Year shall be equal to the Gross Spend of Contributory Services minus the TRC, but not to exceed the Maximum Basic Credit as described in Table 7. This calculation shall be performed at the commencement of the Contract Offer, and the Maximum Basic Credit resulting from these calculations will not change at any time during the Term Period except as described in Section 23.5.11 following. The Customer will receive Basic Credits on Contributory Subject Services on a monthly basis, as provided in Section 23.5.6(B)(1)(b), for each Contract Year and subject to the true-up process described in Section 23.5.8 following. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(a) Calculation of the Basic Credit. To determine the amount of Basic Credit the Customer can achieve, the TRC is multiplied by the applicable percent as described in Table 7 below. This amount, less the TRC, will equal the potential Maximum Basic Credit, rounded to the nearest million. If qualified, award of Basic Credit under this Contract Offer shall satisfy the Basic Credit obligations of the Telephone Company and its affiliated telephone companies.

Table 7

Year	TRC	Maximum Basic Credit Amount
2005	86.5% of 2004 Gross Spend described in (A) below, rounded to the nearest million dollars, times 1/12's	310% of TRC minus the TRC amount, rounded to the nearest million dollars
2006	2005 TRC times 12 times 89.7%, rounded to the nearest million dollars	119.6% of TRC minus the TRC amount, rounded to the nearest million dollars
2007	2005 TRC times 12 times 83.4%, rounded to the nearest million dollars	123.7% of TRC minus the TRC amount, rounded to the nearest million dollars

Example A: The Customer has 2004 Gross Spend of $121.3M. 86.5 percent of 2004 Gross Spend equals $105M, rounded to the nearest million.

The 2005 TRC is equal to 1/12th of $105M. 1/12th of $105M equals $8.75M

The eligible total Basic Credit available is;

$8.75M x 310% = $27.13M

$27.13M - $8.75M = $18.38M, rounded to the nearest million, equals potential maximum Basic Credits

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(a) (Cont'd)

Example B: The 2006 TRC is equal to 2005 TRC times 12 times 89.7 percent, rounded to the nearest million.

8.75M x 12 x 89.7% = $94.18M, rounded to the nearest million

The eligible total Basic Credit available is;

$94M x 119.6% = $112.42M

$112.42M - $94M = $18.42M, rounded to the nearest million equals maximum Basic Credits

(b) Application of the Maximum Basic Credit

The TRC will be divided evenly across the number of months for each Contract Year ending December 31st as described below. The resulting monthly average amount will be the Customer's Monthly TRC commitment.

2005 – Contract Year 1 – 1 month
2006 – Contract Year 2 – 12 months
2007 – Contract Year 3 – 12 months

Example:

2005 TRC equal $8.75M

Maximum Basic Credits will be applied to the Customer's Monthly TRC revenue for Contributory Services, as described in Section 23.5 5 preceding, based on the amount above the Monthly TRC commitment, not to exceed the maximum Basic Credit allowed for each Contract Year as described in Table 7 preceding.

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credit (Cont'd)

(b) Application of the Maximum Basic Credit (Cont'd)

If the Customer exceeds the Monthly TRC commitment, a credit will be issued on a monthly basis sixty (60) days in arrears. Monthly credits will be issued for every month the Customer maintains eligibility under Contract Offer No. 5 and exceeds the Monthly TRC Commitment, provided, however, that once the maximum Basic Credit is reached, as described in Table 7 preceding, no additional Basic Credits will be given for that Contract Year.

At MVP expiration, a MATA true-up will be conducted to determine the Customer's credit amount or required buy-up amount under MVP. The monthly TRC true-up will be calculated at the same time. Customer will be paid the net amount above the TRC. At the end of the Contract Year, a true-up will be conducted, as described in Section 23.5.8, to determine any additional applicable credits or buy-up amount required.

Example: The Customer's MVP expires on October 31, 2005. Under MVP MATA on October 31, the Customer has met its MARC and is due $2M in MVP credits (earned in 2005), plus $1M in MVP SLA credits (earned in 2005), for a total MVP credit amount of $3M.

The Customer's monthly TRC under this Contract Offer is $8.75M, and Customer is billed $9.75M.

The Customer will receive the $1M under Contract Offer No. 5.

At the Contract Year true-up, the total Gross Spend and total credits paid to the Customer, as described in Section 23.5.6 above, will be calculated to determine any additional applicable credit amount or, if a TRC shortfall occurs, the amount of buy-up the Customer will be billed.

If the Customer does not achieve the Monthly TRC commitment in a given month, the Customer will be billed, and will be required to pay, the amount required to meet the Monthly TRC commitment. This payment must be submitted to the Telephone Company no later than 60 days after the true-up date. Timely payment of this true-up amount to meet Customer's Monthly TRC commitment shall constitute full satisfaction of Customer's Monthly TRC obligation. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credits (Cont'd)

(b) Application of the Maximum Basic Credit (Cont'd)

Except as provided in Section 23.5.11, credits will not be issued unless the Customer has met the monthly TRC and the 95 percent Access Service Ratio. Under the Contract Year True-up Process, any credits due to the Customer will be paid, except for those months the Customer was not in compliance with the 95 percent Access Service Ratio, or the Temporary Access Service Ratio set forth in Section 23.5.11. Any Basic Credits paid will not exceed the amount described in 23.5.6, Table 7.

A final true-up will take place at the end of each Contract Year as described in Section 23.5.8.

(c) Any of the following credits issued to the Customer and associated with the Contributory Services included in the TRC (including MVP Commitment credits earned in 2005, MVP SLA credits earned in 2005, DVP credits, any Basic Credits received pursuant to this Contract Offer) will be applied by the Telephone Company in satisfaction of any applicable Basic and Achievement Credit obligations under this Contract Offer.

Example

The Customer has Contract Year 1 TRC of $8.75M. The Customer achieves 310 percent of the Contract Year 1TRC, equal to $27.13M. 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.

The Basic Credit obligation of the Telephone Company and its affiliated telephone companies providing service pursuant to the Contract Offers, as described in Section 23.5.2 (C), is $18M ($27.13M - $8.75M, rounded to the nearest million), as illustrated in Table 7. The Basic Credit obligation will be satisfied by the $9M in non-contract related credits acquired by the Customer under MVP and MVP SLA, plus $9M in Basic Credits paid pursuant to this Contract Offer. This amount will be determined at the time of the final Contract Year true-up, once all other credits have been applied accordingly.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of the Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(1) Basic Credits (Cont'd)

(c) (Cont'd)

The Customer will not pay less than the TRC for the Contract Year. If the Customer does not achieve the TRC at the end of each Contract Year through the purchase of Contributory Services, the Customer will be required to pay the deficiency as full satisfaction of this obligation.

Basic Credits shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 23.5.2 (C). If qualified for a Basic Credit, an award of Basic Credit under this Contract Offer shall satisfy any Basic Credit obligations of the concurrently subscribed to contract offers as described in Section 23.5.2 (C), and an award of Basic Credit under such other contract offers shall satisfy any Basic Credit obligations under this Contract Offer No. 5.

(2) Achievement Credits

Achievement Credits are those credits the Customer will receive based on purchases of Contributory Subject Services above the TRC, plus the maximum Basic Credit Amount, as described in Table 7 preceding. Achievement Credits will not be applicable until the maximum Basic Credit amount has been achieved.

(a) The Customer may receive Achievement Credits if the Customer's Gross Spend for any Contract Year exceeds the TRC plus the Maximum Basic Credit, as described in Table 7 preceding. The Customer will receive a discount on Contributory Subject Services equal to 17 percent of total revenue above the sum of the TRC, plus the Maximum Basic Credit Amount. Any applicable Achievement Credit will be paid out at the end of each Contract Year.

Achievement Credits shall be calculated and awarded on an aggregate basis across the Telephone Company and its affiliated telephone companies, as they apply to the contract offers as described in Section 23.5.2 (C). If qualified, award of Achievement Credit under this Contract Offer shall satisfy the Telephone Company's Achievement Credit obligations. (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(2) Achievement Credits (Cont'd)

(a) (Cont'd)

Example:

The Customer has TRC for Contract Year 1 of $8.75M. The Customer achieves 325 percent of TRC equal to $28.44M. The Customer will receive $18M in Basic Credits as described above, and the Customer will receive $223K in Achievement Credits calculated as follows:

($28.44M minus (Contract Year 1 TRC x 310%)) x 17%

$28.44M – $27.13M ($8.75M x 310%) = $1.31M
$1.31M x 17% = $223K (Achievement Credits).

Table 8

310% of TRC	$27.13M
Gross Spend Achievement during Contract Year (GSA)	$28.44M
Difference between 310% of TRC and GSA	$1.31M
Credit due for billed revenue above 310% of TRC x 17%	$223K

The Customer receives $18M in Basic Credits plus $223K in Achievement Credits, for total credits of $18.223M, as described in Table 8.

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.6 Calculation of Total Revenue Commitment (TRC) (Cont'd)

(B) Application of Credits (Cont'd)

(3) Transfer of Qualified Services

(a) The Customer may transfer services purchased from SBC non - wholesale entities or channels, or purchased by the Customer under a different Access Customer Name Abbreviation (ACNA) than those identified under this Contract Offer. Upon such transfer, the Customer's TRC commitment must be increased proportionally, 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 this transfer.

Example:

The Customer has a Contract Year 1 TRC of $8.75M and is eligible to earn up to a maximum of $18M in Basic Credits. The Customer transfers $10M of services from a non-SBC wholesale entity. The Customer's new Contract Year 1 TRC will be $18.75M ($8.75M plus $10M = $18.75M). The Customer's maximum Basic Credit ($18M) will not change as a result of the transfer.

This increase in the TRC amount will apply to Contract Year 2 and Contract Year 3, as well as the optional Contract Year Extensions.

23.5.7 Portability

(A) The Telephone Company will waive termination liability charges for moves and/or disconnection of non-channelized DS1, DS3, OCN PTP services connecting to an end user premise, provided the conditions listed below are met, and provided the Eligibility Criteria in Section 23.5.2, and terms and conditions in Section 23.5.3 have been met. If the Customer both (i) fails to meet the monthly TRC during the Contract period pursuant to Section 23.5.6, and (ii) fails to pay the True-up amount, as defined in Section 23.5.8, or if the Customer fails to comply with the terms and conditions of their underlying term plans, the Customer will be back-billed for termination liability charges that were waived during the Term Period, up to a maximum of two years of such charges, to the extent such termination liability charges would otherwise apply under the relevant underlying term plans. Portability will apply subject to the following terms and conditions:

(1) Each move and/or disconnection must be from any SBC Tariff as described in Section 23.5.1; and

(2) Services moved or disconnected must be in the Price Flex MSAs described in Tariff F.C.C. No. 1, Section 22. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.7 Portability (Cont'd)

(A) (Cont'd)

(3) Services must be non-channelized and must include at least one end user termination. The end user must be disconnected.

(4) The Customer must meet the minimum in-service period for each service, as described below:

(a) DS1 – no minimum in-service period;
(b) DS3, OC3 and OC12 Point to Point Services – 1 year minimum in-service period; and
(c) OC48 and OC192 Point to Point Services – 3 year minimum in-service period;

(5) The Customer must continue to meet the terms and conditions of any underlying term plan.

23.5.8 End of Contract Year True-up Process

A true-up calculation will be performed at the end of each Contract Year during the Term Period as follows:

(A) At the end of each Contract Year, the Customer's Gross Spend, as defined in Section 23.5.6 preceding, will be calculated to determine the applicable Basic Credit and Achievement Credits.

For true-up calculation purposes, the Gross Spend for Contract Year 1 will include the Customer's Contributory Service revenue for the full 2005 calendar year. The amount of Contributory Service minimum required revenue at final true-up for Contract Year 1 will be the 2005 TRC, plus 11/12ths of 86.5 percent of the 2004 Gross Spend, rounded to the nearest million. The applicable Basic Credit Amount and Achievement Credit Amount received as a result of this calculation will apply only to the TRC amount included in this Contract Offer, as described in Section 23.5.6 Table 7 preceding.

For Contract Years 2 and 3, the minimum required revenue shall be equal to the TRC.

The Basic Credit Amount shall be equal to the Gross Spend minus the TRC for each year (or, for Contract Year 1, the Gross Spend minus the sum of the TRC plus 11/12ths of 86.5 percent of 2004 Gross Spend), provided, however, that the Basic Credit Amount shall not exceed the amount provided in Section 23.5.6 Table 7 preceding, and will only apply to the TRC amount included in this Contract Offer.

Credits received under this Contract Offer during the Contract Year, as well as any MVP credits earned in 2005, MVP SLA credits earned in 2005, and DVP credits, will be calculated to determine the amount of Basic Credit the Customer has been paid. (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.8 End of Contract Year True-up Process (Cont'd)

(B) If the Customer's Gross Spend for Contributory Services, after all credits and shortfall payments described above, is greater than the minimum required revenue at time of the 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 23.5.6(B) Table 7 preceding.

Example 1: The Customer's TRC for the first Contract Year is $8.75M. The Customer's Gross Spend for Contributory Services, after all credits and adjustments as described above, is $10M. The Customer will receive an additional Basic Credit equal to $1.25M

If the Customer's Gross Spend for Contributory Services, after all credits and shortfall payments described above, is below the minimum required revenue at the time of the true-up, the Customer will be billed the amount required to meet the minimum required revenue and will pay such charge pursuant to Section 23.5.8 (D).

Example 2: The Customer's TRC for the first Contract Year is $8.75M. The Customer's Gross Spend for Contributory Services, after all credits and adjustments as described above, is $7M. The Customer must pay $1.75M.

If the Customer's Gross Spend for Contributory Services, after all credits and shortfall payments described above, is greater than the TRC times the maximum Basic Credit (plus 11/12ths of 86.5% of 2004 Gross Spend for Contract Year 1), as described in Section 23.5.6, Table 7, the Customer will receive the Maximum Basic Credit against Contributory Subject Services as described above, and an Achievement Credit against Contributory Subject Services (equal to a 17 percent discount on services above the TRC times the maximum Basic Credit amount, plus 11/12ths of 86.5 percent of 2004 Gross Spend for Contract Year 1).

Example 3: The Customer's TRC for the first Contract Year is $8.75M. The Customer's Gross Spend for Contributory Services after all credits and adjustments as described above, is $28.44M. The Customer receives $18M in Basic Credits and $223K in Achievement Credits.

(C) If, at the time of final true-up, the Telephone Company or any of its affiliated telephone companies described in Section 23.5.2 (C), owe the Customer a Basic Credit amount as described above, the credit will be applied to the Customer's bill no later than 60 days after the final true-up date.

(D) If, at the time of true-up, the Customer must make a true-up payment to meet the TRC as described above, the true-up payment must be submitted to the Telephone Company no later than 60 days after the true-up date. The true-up amount will appear on the Customer's monthly invoice. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.9 Contract Extension Options

At the Customer's option, the Customer may extend this Contract Offer at the end of the Term Period. The Customer may extend for one year at the end of Term Period (First Extension Option), and may also extend the Contract Offer by another year at the end of the first extension year (Second Extension Option). The First Extension Option and Second Extension Option must be exercised concurrently for all contract offers described in Section 23.5.2(C). Those contract offers may not be extended individually. To exercise either option, the Customer must notify the Telephone Company and its affiliated telephone companies as described in Section 23.5.2 (C), in writing, no later than 60 days prior to the expiration of the Term Period or, for the Second Extension Option, 60 days prior to the expiration of the First Extension Option.

For the First Extension Option, the TRC shall be determined as follows:

The TRC amounts for the First Extension Option will be equal to the last 3 months of qualified Contributory Services revenue in Contract Year 3 times 4 times 83 percent, or the Contract Year 3 TRC, whichever is greater. The maximum Basic Credit will be equal to the TRC times 120 percent minus the TRC amount, less any Basic Credit reductions applied during the Term Period of this Contract Offer, as described in Section 23.5.11(A) following. An Achievement Credit of 17 percent will apply on revenue above 120 percent of the TRC, except as described in Section 23.5.11 (A) following.

Example:

(TRC X 120% - TRC) – (any credit reduction as described in Section 23.5.11)

For the Second Extension Option, the TRC shall be determined as follows:

The TRC amount for the Second Extension Option will be equal to the last 3 months of qualified Contributory Services revenue in Contract Year 4 times 4 times 83 percent, or the Contract Year 4 TRC, whichever is greater. The maximum Basic Credit Amount will be equal to the TRC times 120 percent minus the TRC amount, less any Basic Credit reductions applied during the Term Period of this Contract Offer, or under the First Extension Option as described in Section 23.5.11(A) following.. An Achievement Credit of 17 percent will apply on revenue above 120 percent of the TRC, except as described in Section 23.5.11 (A) following.
.

Example:

(TRC X 120% - TRC) – (any credit reduction as described in Section 23.5.11)

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.10 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer No. 5 pursuant to F.C.C. No. 1, 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. 1, Section 2.1.2, 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.

All of the contract offers described in Section 23.5.2(C) must be assigned or transferred concurrently. Those contract offers may not be assigned or transferred individually. (N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions

(A) The terms and conditions of this Contract Offer 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 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). Any other company involved in such merger or acquisition shall be identified for purposes of this Contract Offer as an Acquired Company, without regard to whether the Customer or the Acquired Company is the surviving entity following the transaction. The Transaction Close Date shall be the date upon which a stock purchase has been completed and/or the final date on which the assets of the acquired/merged company have been purchased. Upon the Transaction Close Date, if the Acquired Company purchases any services that are Contributory Services under this Contract Offer No. 5 from the Telephone Company and each of its affiliated telephone companies in each of the contract offers described in Section 23.5.2 (C), the Contributory Services purchased by the Acquired Company will not count toward the Gross Revenue achievement or TRC amount, and the Contributory Services provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein.

Effective upon the Transaction Close Date:

The Acquired Spend shall be calculated for the Acquired Company, including the Acquired Company's billed revenue for Contributory Services consistent with the manner of calculating Gross Spend, as provided in Section 23.5.6(A) of this Contract Offer, plus the Acquired Company's billed revenue for UNE or equivalent offerings, as described in Section 23.5.4, Table 2.

(1) If the Acquired Spend (calculated based on the billed revenue of the Acquired Company during the three months immediately prior to the Transaction Close Date, times four) is less than or equal to 15 percent of the billed revenue for both Contributory Services and UNE, or equivalent offerings provided to the Customer prior to the Transaction Close Date, this Contract Offer shall remain in force without change, unless Customer includes the Acquired Spend in this Contract Offer, as provided in Section 23.5.11(B) of this Contract Offer. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions (Cont'd)

(A) (Cont'd)

(2) If the Acquired Spend (calculated based on the billed revenue of the Acquired Company during the three months immediately prior to the Transaction Close Date, times four) is greater than 15 percent of the billed revenue for both Contributory Services and UNE, or equivalent offerings provided to the Customer prior to Transaction Close Date, the following provisions shall apply:

(a) The Customer's Calculated Annual Spend shall be the Customer's actual annualized billed revenue for Contributory Services (calculated as the Customer's billed revenue during the three months immediately prior to the Transaction Close Date, times four). The Ceiling shall be the sum of the TRC plus the Maximum Basic Credit. If the Customer's Calculated Annual Spend is less than the Ceiling, the Customer's Maximum Basic Credit shall be reduced by an amount equal to the difference between the Ceiling and the Calculated Annual Spend. The Customer's TRC shall not change. The reduced Maximum Basic Credit shall apply thereafter throughout the Term Period, unless subsequently reduced pursuant to this provision as a result of a subsequent merger or acquisition. Thereafter, the Customer shall not receive Achievement Credits for any revenue above the Calculated Annual Spend, except as described in Section 23.5.11(A)(3) of this Contract Offer.

Example: The Customer's Year 2 TRC is $90M and its Maximum Basic Credit is $18M, for a Ceiling of $108M (TRC plus Maximum Basic Credit).

On the Transaction Close Date, the Customer's Calculated Annual Spend (billed revenue for Contributory Services during the prior three months, times four) is $100M. The Customer's TRC remains $90M, and the Customer's Maximum Basic Credit is reduced to $10M. The Maximum Basic Credit remains at $10M thereafter, unless further reduced as a result of a subsequent merger or acquisition.

No Achievement Credits will apply to any revenue over $100M.

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(b) If the Customer's Calculated Annual Spend is equal to or greater than the Ceiling, neither the TRC nor the Maximum Basic Credit shall change, except as provided in Section 23.5.11(A)(3) of this Contract Offer. The Customer shall not receive Achievement Credits for any revenue above the Ceiling during the months after the Transaction Close Date, except as provided in Section 23.5.11(A)(3) of this Contract Offer. Any Achievement Credits earned after the maximum Basic Credit amount has been achieved, but prior to the Transaction Close Date, will continue to apply.

Example: The Customer's Year 2 TRC is $90M and the Maximum Basic Credit is $18M for total of $108M.

On the Transaction Close Date, the Calculated Annual Spend (billed revenue for Contributory Services during the prior three months, times four) is $112M. The Customer's TRC remains $90M and the Maximum Basic Credit remains $18M.

Achievement Credits will apply to Contributory Service revenue during any month after the month in which the Customer reaches the Maximum Basic Credit amount, but before the Transaction Close Date. Achievement Credits will not apply after the Transaction Close Date. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions (Cont'd)

(A) (Cont'd)

(3) If the Customer wishes to include Contributory Services provided to the Acquired Company in this Contract Offer, the Customer must so notify the Telephone Company within nine (9) months after the Transaction Close Date. If the Customer chooses to include the Acquired Company's Contributory Services in this Contract, the Acquired Spend (calculated based on the billed revenue of the Acquired Company during the three months immediately prior to the date upon which the Customer provides notification pursuant to this provision, times four) will be added to the Customer's then-current TRC. In addition, the revenues resulting from any conversion of UNE or equivalent offerings to qualified Contributory Subject Services, whether voluntary or required, shall also be added to the Customer's then-current TRC, according to the rates that would apply to those Contributory Services under this Contract Offer. The Maximum Basic Credit shall be determined according to Section 23.5.11(A) of this Contract Offer. Achievement Credits will apply to revenue above the Ceiling, beginning upon the date the Customer provides notification pursuant to this provision. Upon including the other company's Contributory Services in this Contract Offer, any pricing flexibility contract offer, or similar intrastate arrangement governing the included services, shall be deemed terminated and any termination liability or other charges will apply, as provided in the previously effective pricing flexibility contract offer or similar intrastate arrangement. The Customer's Maximum Basic Credit amount will not change as a result of this transfer except as described in Section 23.5.11(A)(2)(a) of this Contract Offer. The Access Service Ratio, as described in Section 23.5.4, will be applicable to all of the Customer's affiliates, regardless of their inclusion in, or exclusion from, this Contract Offer (except as described in Section 23.5.11(B) of this Contract Offer). The increase in the Customer's TRC shall apply thereafter, except to the extent the TRC may be further modified pursuant to this Contact Offer.

Example A: The Customer has a Year 2 TRC of $90M, and the Maximum Basic Credit is $18M. The Customer acquires another company with annualized Contributory Service revenues of $40M, and the Customer chooses to add the Acquired Company's Contributory Services business to this Contract Offer. The Customer's new Contract Year 2 TRC will be $130M ($90M plus $40M = $130M). The Customer's Maximum Basic Credit ($18M) will not change, except as described in Section 23.5.11(A)(2)(a) of this Contract Offer. The new TRC will apply thereafter, unless the TRC is subsequently changed pursuant to this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio

If any merger or acquisition affects the Customer's Access Service Ratio, the Customer and any affiliated entities that existed as of the Transaction Close Date (as determined by the applicable ACNA's) shall comply with the Access Service Ratio requirements of this Contract Offer, as described in Section 23.5.4 of this Contract Offer, subject to the provisions of this Section 23.5.11(B).

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:

(1) All stock, or substantially all stock or certain assets of another company, and the merger or acquisition will cause the Customer to fall below Access Services Ratio Terms and Conditions as defined in Section 23.5.4, regardless of whether the Customer chooses to include the Acquired Company's Contributory Services in this Contract Offer, the following will apply.

(a) A Temporary Access Service Ratio will be calculated in a manner consistent with the calculation of the Access Service Ratio as described in Section 23.5.4 of this Contract Offer, for the Acquired Company, for the month immediately following the Transaction Close Date, according to the following formula.

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

Example:

$$\frac{\text{\$35M Access}}{\text{\$35M Access + \$34M Wholesale}}$$

The Temporary Access Services Ratio would be:

50.7%/49.3%

(N)

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(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(1) (Cont'd)

(b) The Temporary Access Service Ratio will apply to the Acquired Company's Contributory Services until the earlier of nine (9) months after the Transaction Close Date, or the date upon which the Customer notifies the Telephone Company of its election to add the Acquired Company's Contributory Services to this Contract Offer, whichever is earlier. While the Temporary Access Service Ratio remains in effect, the Contributory Services of the Acquired Company must at all times meet or exceed the Temporary Access Service Ratio.

Thereafter, a Combined Access Service Ratio shall be calculated according to the following formula:

$$\frac{\text{Combined Access Revenue}}{\text{Combined Access Revenue + (Combined Wholesale – Acquired Wholesale Revenue)}}$$

The Acquired Wholesale Revenue in the combined equation shall be measured at the earlier of nine (9) months after the Transaction Close Date or the date upon which the Customer notifies the Telephone Company of its election to add the Acquired Company's Contributory Services to this Contract Offer, whichever is earlier.

Example:

$$\frac{\$140M}{\$140M + (\$37M - \$35M)}$$

The combined Access Service Ratio of 98.6%/1.4% exceeds the 95%/5% ratio required.

(c) Once the Combined Access Service Ratio has been calculated, the combined Company (the Customer and Acquired Company, considered together) must meet or exceed a Combined Access Service Ratio of 95 percent for all services (Contributory and UNE or other equivalent offerings) purchased thereafter. Any wholesale services purchased by the Acquired Company prior to the earlier of the date nine months after the Transaction Close Date, or the date upon which the Customer notifies the Telephone Company of its election to add the Acquired Company's Contributory Services to this Contract Offer, will be deducted from the Combined Wholesale Revenue for purposes of calculating the Combined Access Service Ratio.

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.11 Mergers and Acquisitions (Cont'd)

(B) Mergers and Acquisitions Affecting Access Service Ratio (Cont'd)

(1) (Cont'd)

(d) Services included in the calculation of the Temporary Access Service Ratio or the Combined Access Service Ratio shall be the same as those described in Section 23.5.4 of this Contract Offer.

(e) If the Customer and/or the Acquired Company fails to meet or exceed the Temporary Access Service Ratio or the Combined Access Service Ratio, the remedies provided in Section 23.5.4 of this Contract Offer shall apply.

(f) The provisions of this Section 23.5.11 shall apply to each merger or acquisition during the Term Period.

(2) If the Customer chooses to include the Acquired Company's Contributory Services in this Contract Offer, Contributory Services previously provided to the Acquired Company shall be included in this Contract Offer immediately upon the Telephone Company's receipt of the Customer's notice of intent to include them, and the TRC will be increased by the amount of the Acquired Company's qualified revenues. In addition, the monthly TRC will be increased to reflect the conversion of any unbundled network elements and equivalent offerings to Contributory Subject Services subject to this Contract Offer. Any converted services will be billed as Contributory Subject Services subject to this Contract Offer, and will be included in the TRC, effective upon the date on which receives the Customer's request to convert. The Customer's Maximum Basic Credit will not change as a result of the inclusion of the Acquired Company's Contributory Services in this Contract Offer, except as described in 23.5.11(A) preceding. The recalculated monthly TRC will apply for the remainder of that Contract Year. In each subsequent Contract Year, the TRC will continue to include the revenues associated with the Acquired Company's Contributory Services. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.12 Cessation of Business

If, at any time during the Term Period, the Telephone Company, or any of its affiliated telephone companies, cease to provide telecommunications services in any MSA subject to this Contract Offer, or any of the other Contract Offers as described in Section 23.5.2 (C), sells or divests its operating assets in any MSA subject to this Contract Offer, or otherwise ceases to provide any of the Contributory Services subject to this Contract Offer, the TRC will be decreased by the amount of the qualified revenue associated with the Contributory Services no longer provided by the Telephone Company or its affiliated telephone companies.

23.5.13 Termination Liability Charges

Termination liability language described below applies in lieu of the termination liability language in F.C.C. No. 1, Section 7 and Section 21. If the Customer terminates Contract Offer No. 5 before the expiration of the Term Period for any reason, except for that defined in 23.5.13 (B) below, 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 to the Telephone Company 90 days prior to the desired date of termination. This notification must include the date upon which the Customer will terminate the Contract Offer.

(A) If the Customer fails to meet any of the eligibility criteria in Section 23.5.2, or fails to meet any of the terms and conditions in Contract Offer No. 5, then the Telephone Company 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. 5, and termination liability charges will apply as stated in 23.5.13 (C), and will be payable within sixty (60) days from the time the contract is deemed terminated.

(N)

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.13 Termination Liability Charges (Cont'd)

(B) If the Telephone Company and its affiliated telephone companies providing service pursuant to the contract offers described in Section 23.5.2(C) fail, in the aggregate, to maintain a Network Availability cumulative annual target of 90 percent for all Contributory services for twelve consecutive months, the Customer will have the option to notify the Telephone Company of the Customer's intent to terminate this Contract Offer. The Customer must provide the Telephone Company with ninety (90) days notice of the Customer's intent to invoke this escape clause and return its services to standard special access services. The Telephone Company will have sixty (60) days, from the date that Customer notice is received, to rectify the service problems or the Customer will be allowed to terminate this offering without incurring any termination liability on the services moved to standard Special Access services. If the Telephone Company and its affiliated telephone companies meet the Network Availability targets within sixty (60) days, the Customer will continue to purchase services under this Contract Offer.

The following occurrences will not be included in the measurements described in the calculation of Network Availability:

(1) In the case of labor disputes, governmental orders, civil commotions, or criminal actions taken against the Telephone Company or its affiliated telephone companies, the Telephone Company and its affiliated telephone companies will be excused for the duration of these events.

(2) In the case of actions outside of the Telephone Company or its affiliated telephone companies' reasonable control (e.g., catastrophic weather conditions) that have a severe impact on the Telephone Company or its affiliated telephone companies' ability to provision and repair service, the Telephone Company and its affiliated telephone companies will be excused, for the duration of the situation, from the performance measures set forth herein. Any such temporary exemption will apply only to the dispatch area(s) directly affected by the situation, and the Telephone Company and its affiliated telephone companies will return to the levels of performance required hereunder as promptly as is reasonably practicable. To the extent additional dispatch areas are impacted by such a situation, the Telephone Company and its affiliated telephone companies will give prompt notice to the Customer of the scope and nature of such impact so the parties can determine whether additional temporary exemptions from the applicable performance measures are appropriate.

(3) Performance shall be excused for the duration of any interruptions caused by the negligence of the Customer, the Customer's end-user, or other third parties not affiliated with the Telephone Company (N) or its affiliated telephone companies.

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

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.13 Termination Liability Charges (Cont'd)

(B) (Cont'd)

(4) Performance shall be excused for the duration of any interruptions of a service due to the failure of equipment or systems provided by the Customer or parties other than the Telephone Company or its affiliated telephone companies.

(5) Performance shall be excused for the duration of any interruptions of a service during any period in which the Telephone Company or its affiliated telephone companies are not afforded access to the premises where the service is terminated.

(6) Performance shall be excused for the duration of any interruptions of a service when the Customer has released that service to the Telephone Company or any of its affiliated telephone companies for maintenance purposes, to make rearrangements, or for the implementation of an order for a change in the service during the time that was negotiated with the Customer prior to the release of that service.

(7) Performance shall be excused for the duration of any interruptions of a service which continue because of the failure of the Customer to authorize replacement of any element of special construction, as set forth in Section 5 and Section 13 of F.C.C. No. 1.

(8) Performance shall be excused for the duration of any interruptions that occur on facilities that the Customer elected not to release the service to the Telephone Company or its affiliated telephone companies for testing and/or repair. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.5 Contract Offering No. 5 – Access Discount Offer (Cont'd)

23.5.13 Termination Liability Charges (Cont'd)

(C) If the Customer terminates its subscription to this Contract Offer prior to the end of the Term Period, for any reason other than described in 23.5.13 (B), the Customer must pay termination liability charges as described below:

Termination of Contract during:

Contract Year 1 – Any credits received under this Contract Offer plus 25% of TRC for remaining months of Term Period

Contract Year 2 – Last 6 months of credit received under this Contract Offer plus 25% of TRC for remaining months of Term Period.

Contract Year 3 – Last 6 months of credit received under this Contract Offer plus 10% of total TRC for Contract Year 3.

Example:

The Customer's 2006 TRC is $90M. The Customer terminates the contract on April 31, 2006. The Customer has 20 months remaining on the Term Period and has received $6M in credits under this Contract Offer in the 6 months prior to termination. The customer will owe $43.4M in termination liability

$26.25M x 4 = $105M
$105M times 89.7% = $94M
$94M/12 = $7.8M x 8 = $62M x 25% = $15.5M for remainder of Contract Year 2

plus

$105M times 83.4% = $87.5M
$87.5M x 25% = $21.9M for Contract Year 3

Contract Year 2 + Contract Year 3 + Last 6 months of credits

$15.5M + $21.9M + $6M = $43.4M Termination Liability

(N)

(N)

23. Pricing Flexibility Contract Offerings

23.6 Contract Offer No. 6 - OC-48 Dedicated SONET Ring Service Offer

23.6.1 General Description

Contract Offer No. 6 – OC-48 Dedicated SONET Ring Service (OC-48 DSRS)is an access discount pricing plan that permits Customers who meet the Eligibility Criteria in Section 23.6.3 and the Terms and Conditions in Section 23.6.4 to purchase Subject Services in Section 23.6.2 at the discounted rates listed in Section 23.6.5. Subject Services under Contract Offer No. 6 are available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) described in Section 23.6.3 (B).

Contract Offer No. 6 is available for subscription from March 11, 2006 through April 11, 2006.

23.6.2 Subject Services

(A) This Contract Offer applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff section(s):

(1) Nevada Bell Telephone Company (NBTC)Tariff F.C.C. No. 1, Section 26 – OC-48 DSRS.

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

23.6.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 6 discounted rates:

(A) Services must be pricing flexibility qualified access services listed in Section 23.6.2(A);
(B) Services must be located in the Reno, NV MSA;
(C) Subject Services ordered pursuant to this Contract Offer must be new; and
(D) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.6 Contract Offer No. 6 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.6.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be seven (7) years, commencing on the date billing begins. Billing shall commence no later than thirty (30) days after the Telephone Company's completion of the access service request for the OC-48 DSRS. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options described in NBTC Tariff F.C.C. No. 1, Section 26 for OC-48 DSRS.

If, at the expiration of the Customer's Contract Term Period, the Customer does not choose to disconnect or select a payment option from the sections above, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 22.5.2.12

Rate stability under Contract Offer No. 6 applies only to the rates specific to this Contract Offer, as outlined in Section 23.6.5 of this Contract Offer. Purchase of the services listed above under Contract Offer No. 6 are also subject to certain rates, charges and general terms and conditions, as set forth in Sections 2-General Regulations, 5-Ordering for Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous 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.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.6 Contract Offer No. 6 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.6.4 Terms and Conditions (Cont'd)

(B) Contract Offer No. 6 is available for subscription from March 11, 2006 through April 11, 2006.

(C) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) If, after the Telephone Company receives the 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.

(E) The Customer must submit an access service request to the Telephone Company within thirty (30) days of the Telephone Company's receipt of the Customer's LOS. Failure to submit an access service request within the required thirty (30) day interval shall constitute cancellation of the LOS.

(F) If the Customer discontinues service under Contract Offer No. 6 during the Term Period, termination liability charges shall apply in accordance with Section 23.6.8.

(G) If the Customer requests additional service, features and functions not included in Section 23.6.5 of this Contract Offer, the Customer will pay the tariff rates for those additions as contained in Section 22 Metropolitan Statistical Area Access Services.

(H) The Customer shall purchase one (1) new OC-48 DSRS pursuant to this Contract Offer.

(I) The Customer will not be able to combine this Contract Offer with any other promotional offering, contract offering, or discount plan in conjunction with this Contract Offer. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.6 Contract Offer No. 6 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.6.5 Rates and Charges

(A) OC-48 DSRS Rates and Charges:

The Customer shall pay the following Non-Recurring Charges (NRCs) and Monthly Recurring Charges (MRCs) for the new OC-48 DSRS ordered under this Contract Offer:

NRCs:

Administrative Charge (ORCMX)	$60
Design and Central Office Connection Charge (NRMCK)	$600

MRC:

OC-48 Dedicated SONET Ring Service	$10,964

The new OC-48 DSRS MRC includes the following elements listed in Table A:

Table A

OC-48 Dedicated Ring	**USOC**	**Quantity**
Central Office Node	FC5EX	2
Customer Node	FP5EX	1
OC3 Ports	SPRJX	6
DS3 Ports	SPRKX	24

23.6.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to NBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in NBTC Tariff F.C.C. No. 1, 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 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

(N)

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

23.6 Contract Offer No. 6 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.6.6 Assignment and Transfer (Cont'd)

(a) (Cont'd)

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.

23.6.7 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 of 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 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)

23. Pricing Flexibility Contract Offerings (Cont’d) (N)

23.6 Contract Offer No. 6 - OC-48 Dedicated SONET Ring Service Offer (Cont’d)

23.6.8 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in NBTC Tariff F.C.C. No. 1, Section 26. If the Customer discontinues services provided under this Contract Offer before the completion of the Term Period for any reason, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the Eligibility Criteria in Section 23.6.3, or the Terms and Conditions in Section 23.6.4.

These termination liability charges shall become due as of the effective date of the termination of service and are payable as described below.

The Customer’s termination liability charges shall be equal to:

50 percent of all Monthly Recurring Charges for the balance of the Customer's seven (7)year Term Period for the OC-48 DSRS.

The termination liability charge shall be calculated as follows:

(MRCs) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50 percent)

Example: Customer with a $10,964 Monthly Recurring Charge terminates service after three (3) years and has forty-eight (48) months remaining on the seven (7)year Term Period. The termination liability would be calculated as:

($10,964 X 48 months) X 50% = $263,136 termination liability charge (N)

(N)

23. Pricing Flexibility Contract Offerings

23.7 Contract Offer No. 7 - OC-48 Dedicated SONET Ring Service Offer

23.7.1 General Description

Contract Offer No. 7 – OC-48 Dedicated SONET Ring Service (OC-48 DSRS)is an access discount pricing plan that permits Customers who meet the Eligibility Criteria in Section 23.7.3 and the Terms and Conditions in Section 23.7.4 to purchase Subject Services in Section 23.7.2 at the discounted rates listed in Section 23.7.5. Subject Services under Contract Offer No. 7 are available only in the Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA) described in Section 23.7.3 (B).

Contract Offer No. 7 is available for subscription from May 6, 2006 through June 6, 2006, and is not renewable.

23.7.2 Subject Services

(A) This Contract Offer applies to pricing-flexibility-qualified services (hereafter referred to as Subject Services) contained in the following tariff section(s):

(1) Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Section 26 – OC-48 DSRS.

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

23.7.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 7 discounted rates:

(A) Services must be pricing flexibility qualified access services listed in Section 23.7.2(A);
(B) Services must be located in the Reno, NV MSA;
(C) Subject Services ordered pursuant to this Contract Offer must be new; and
(D) All traffic must originate or terminate at a Mobile Switching Center (MSC).

(N)

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

23.7 Contract Offer No. 7 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.7.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be seven (7) years, commencing on the date billing begins. Billing shall commence no later than thirty (30) days after the Telephone Company's completion of the access service request for the OC-48 DSRS. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment options described in NBTC Tariff F.C.C. No. 1, Section 26, for OC-48 DSRS.

If, at the expiration of the Customer's Contract Term Period, the Customer does not choose to disconnect or select a payment option from the sections above, the Telephone Company will convert the Customer to the prevailing monthly extension rates in Section 22.5.2.12

Rate stability under Contract Offer No. 7 applies only to the rates specific to this Contract Offer, as outlined in Section 23.7.5 of this Contract Offer. Purchase of the services listed above under Contract Offer No. 7 are also subject to certain rates, charges and general terms and conditions, as set forth in Sections 2-General Regulations, 5-Ordering for Access Service, and 13-Additional Engineering, Additional Labor & Miscellaneous 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. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.7 Contract Offer No. 7 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.7.4 Terms and Conditions (Cont'd)

(B) Contract Offer No. 7 is available for subscription from May 6, 2006 through June 6, 2006.

(C) The Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) If, after the Telephone Company receives the 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.

(E) The Customer must submit an access service request to the Telephone Company within thirty (30) days of the Telephone Company's receipt of the Customer's LOS. Failure to submit an access service request within the required thirty (30) day interval shall constitute cancellation of the LOS.

(F) If the Customer discontinues service under Contract Offer No. 7 during the Term Period, termination liability charges shall apply in accordance with Section 23.7.8.

(G) If the Customer requests additional service, features and functions not included in Section 23.7.5 of this Contract Offer, the Customer will pay the tariff rates for those additions as contained in Section 22, Metropolitan Statistical Area Access Services.

(H) The Customer shall purchase one (1) new OC-48 DSRS pursuant to this Contract Offer.

(I) The Customer will not be able to combine this Contract Offer with any other promotional offering, contract offering, or discount plan in conjunction with this Contract Offer.

(J) The Telephone Company shall waive any termination liability charges that would otherwise apply pursuant to NBTC Tariff F.C.C. No. 1, Section 23, Contract Offer No. 6 for existing Subject Services to be provided under this Contract Offer. Termination liability charges shall otherwise apply according to the terms of the applicable tariff.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.7 Contract Offer No. 7 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.7.5 Rates and Charges

(A) OC-48 DSRS Rates and Charges:

The Customer shall pay the following Non-Recurring Charges (NRCs) and Monthly Recurring Charges (MRCs) for the new OC-48 DSRS ordered under this Contract Offer:

NRCs:

Administrative Charge (ORCMX)	$60
Design and Central Office Connection Charge (NRMCK)	$600

MRC:

OC-48 Dedicated SONET Ring Service	$10,964

The new OC-48 DSRS MRC includes the following elements listed in Table A:

Table A

OC-48 Dedicated Ring	USOC	Quantity
Central Office Node	FC5EX	1
Customer Node	FP5EX	1
OC12 Ports	SPRHX	6
DS3 Ports	SPRKX	24

23.7.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to NBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in NBTC Tariff F.C.C. No. 1, 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 percent of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission; or

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.7 Contract Offer No. 7 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.7.6 Assignment and Transfer (Cont'd)

(A) (Cont'd)

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.

23.7.7 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 of 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 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)

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

23.7 Contract Offer No. 7 - OC-48 Dedicated SONET Ring Service Offer (Cont'd)

23.7.8 Termination Liability

Termination liability language described below applies in lieu of the termination liability language described in NBTC Tariff F.C.C. No. 1, Section 26. If the Customer discontinues services provided under this Contract Offer before the completion of the Term Period for any reason, the Customer must pay the Telephone Company termination liability charges as described below. Termination liability charges will also apply if the Customer is not in compliance with the Eligibility Criteria in Section 23.7.3, or the Terms and Conditions in Section 23.7.4.

These termination liability charges shall become due as of the effective date of the termination of service and are payable as described below.

The Customer's termination liability charges shall be equal to:

50 percent of all Monthly Recurring Charges for the balance of the Customer's seven (7)year Term Period for the OC-48 DSRS.

The termination liability charge shall be calculated as follows:

(MRCs) multiplied by (Months remaining in billing) multiplied by (Termination percentage of 50 percent)

Example: Customer with a $10,964 Monthly Recurring Charge terminates service after three (3) years and has forty-eight (48) months remaining on the seven (7)year Term Period. The termination liability would be calculated as:

($10,964 X 48 months) X 50% = $263,136 termination liability charge (N)

(N)

23. Pricing Flexibility Contract Offerings

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer

23.8.1 General Description

Contract Offer No. 8 – OC-48 Dedicated Ring Offer is a seven (7) year access discount pricing plan that provides the Customer with discounted rates for the consolidation of multiple DS3 services to a Dedicated SONET Ring infrastructure.

Contract Offer No. 8 is available for subscription June 6, 2006 through July 6, 2006. This Contract Offer is not renewable.

23.8.2 Service Qualifications

(A) This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Section 26 – Dedicated SONET Ring Service.

(B) Subject Services provided under this Contract Offer must be:

(1) Located in the following Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA): Reno, NV.

(2) OC-48 Dedicated SONET Rings configured as:
(a) One (1) Customer Premises Node with four (4) OC-12 Ports;
(b) One (1) Central Office (CO) Node with OC-48 Add/Drop Capability;
(c) Ring Mileage less than 10 miles; and
(d) Ports at the CO Node subject to the ring capacity limits described in Section 26.3(A)(7).

23.8.3 Eligibility Criteria

The Customer must meet the following eligibility criteria at the time of subscription to this Contract Offer:

(A) The Customer must have at least thirty (30) existing DS3 circuits with Channel Terminations terminating at the Customer's Point of Presence (POP) in the MSA listed in Section 23.8.2(B)(1).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer (Cont'd)

23.8.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be eighty-four (84) months commencing on the date the Telephone Company receives a Letter of Subscription (LOS) from the Customer.

Upon the expiration of the Term Period, this Contract Offer will be automatically extended on a monthly basis until terminated by either party upon ninety (90) days written notice to the other.

Upon termination of this Contract Offer, the Subject Services provided under this Contract Offer shall be subsequently provided under the prevailing applicable monthly extension rates found in NBTC Tariff F.C.C. No. 1, Section 31.5.2.12, unless the Customer:

(1) Selects applicable payment options in NBTC Tariff F.C.C. No. 1, Section 26.3(B); or
(2) Disconnects the Subject Services.

(B) General

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges and general terms and conditions described in NBTC Tariff F.C.C. No. 1, Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All terms and conditions for the Subject Services provided under this Contract Offer shall continue to be governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer shall not include Subject Services provided under this Contract Offer in any other contract offer.

(4) To subscribe to this Contract Offer, the Customer shall provide the Telephone Company with a LOS.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer (Cont'd)

23.8.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(5) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(6) If the Customer terminates this Contract Offer during the Term Period, termination liability charges shall apply in accordance with Section 23.8.8.

(C) New Subject Services

(1) The Telephone Company shall provide Subject Services under this Contract Offer as described in Section 23.8.5:

(a) New OC-48 Dedicated SONET Rings as an OC-48 Ring Bundle as described in Section 23.8.5, Table A; and
(b) New CO Node Ports installed during the Term Period as described in Section 23.8.5, Table B.

(2) The minimum term commitment, Service Term, for each Subject Service provided under this Contract Offer shall be sixty (60) months. If the Customer disconnects Subject Services prior to the completion of the Service Term during the Term Period, a termination charge shall apply in accordance with Section 23.8.8(B).

(3) The Customer must order at least two (2) new OC-48 Dedicated SONET Rings configured as described in Section 23.8.2(B). Each new SONET Ring purchased under this Contract Offer must be installed by the Telephone Company and accepted by the Customer within the first twenty-four (24) months of the Term Period.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer (Cont'd)

23.8.4 Terms and Conditions (Cont'd)

(C) New Subject Services (Cont'd)

(4) If the Customer fails to purchase the required new SONET Rings as described above, the Customer shall pay the Telephone Company a true-up amount, equal to $478.50 per day for each SONET Ring by which the Customer falls short of the required purchase amount, until the required SONET Rings have been installed. The true-up amount, if required, will be billed after all required SONET Rings are installed or upon termination of this Contract Offer after six (6) months of non-compliance with Section 23.8.4(C)(3).

(5) The Telephone Company shall provide the Customer a one-time billing credit equal to $14,355 for each SONET Ring purchased as described in Section 23.8.4(C)(3). The credit shall be applied within sixty (60) days of the commencement of billing for each SONET Ring. The total value of the credits, described herein, shall not exceed $28,710.

(6) The Customer may convert the existing DS3 circuits as described in Section 23.8.3(A) to the new OC-48 Dedicated SONET Rings provided under this Contract Offer without incurring termination liability charges for those existing services. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer (Cont'd)

23.8.5 Rates and Charges

The Customer must pay the following Monthly Recurring Charge (MRC) for each rate element that comprises the Subject Services provided under this Contract Offer.

Table A:

OC-48 Ring Bundle	**Qty**	**Applicable USOC**	**MRC**
Customer Premises Node	1	FP5EX	$3,894.00
CO Node	1	FC5EX	$3,894.00
OC-12 Ports on Customer Premises Node, per port	4	SPRHX	$360.00
OC-48 Add/Drop Capability	1	MPEFX	$1,400.00

Table B:

CO Node Ports (per port)	**Applicable USOC**	**MRC**
DS3	SPRKX	$110.00
OC-3 / OC-3c	SPRJX	$135.00
OC-12 / OC-12c	SPRHX	$360.00
100 Mbps Ethernet (STS-1)	S9TGX	$130.00
100 Mbps Ethernet (STS-3c)	S9THX	$160.00
1 Gbps Ethernet (STS-1)	S9TJX	$200.00
1 Gbps Ethernet (STS-3c)	S9TKX	$200.00
1 Gbps Ethernet (STS-12c)	S9TLX	$500.00
1 Gbps Ethernet (STS-24c)	S9TMX	$850.00

Any rate element not described herein shall be subject to the rates and charges outlined in NBTC Tariff F.C.C. No. 1, Section 22.5.2.12. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer (Cont'd)

23.8.6 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 Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, shall 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.

23.8.7 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to NBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company shall acknowledge such transfer or assignment if the criteria in Section 2.1.2 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 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.8 Contract Offer No. 8 – OC-48 Dedicated Ring Offer (Cont'd)

23.8.7 Assignment and Transfer (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.

23.8.8 Termination Liability

The termination liability language contained below applies in lieu of the termination liability language described in Section 26.3. Termination charges shall become due as of the effective date of the termination.

(A) If the Customer terminates this Contract Offer or is not in compliance with the terms and conditions of this Contract Offer, the Customer shall be liable for a termination charge which shall be equal to $14,355 per month for the balance of the Term Period. The termination charge shall be calculated as $14,355 multiplied by (months remaining in Term Period).

Example: The Contract Offer is terminated after thirty-six (36) months and has forty-eight (48) months remaining in the Term Period. The termination charge shall be:

$14,355 X 48 = $698,040 Termination Charge

(B) If the Customer terminates individual Subject Services provided under this Contract Offer during the Service Term, the Customer shall be liable for a termination charge which shall be equal to 50 percent of the MRC for the terminated Subject Services for the balance of the Service Term. The termination charge shall be calculated as (MRC) multiplied by (months remaining in Service Term) multiplied by (termination liability percentage of 50%).

Example: The MRC equals $10,628 and the Subject Service is terminated after thirty-six (36) months and has twenty-four (24) months remaining in the Term Period. The termination charge shall be:

($10,628 X 24) X 50% = $127,536 Termination Charge

(N)

23. Pricing Flexibility Contract Offerings (N)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer

23.9.1 General Description

Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Contract Offer No. 9) is an access discount plan for which subscription is required to the (N) following access tariffs: Ameritech Operating Companies (Nx) (Ameritech) Tariff F.C.C. No. 2, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39 and Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1. (Nx) Contract Offer No. 9 provides Customers with (N) discounts and incentives (as defined in Section 23.9.6) in accordance with the Terms and Conditions as set forth in Section 23.9.4.

To receive discounts under this Contract Offer, the Customer must meet Eligibility Criteria described in Section 23.9.3 and must comply with all Terms and Conditions of this Contract Offer. Contract Offer No. 9 requires eligible Customers to maintain a Baseline Minimum Annual Revenue Commitment (MARC) of $141,600,000, as described in Section 23.9.3(B), following. If during the Annual True-up the Customer's billed recurring revenue for Qualified Access Services is less than the Baseline MARC, the Customer must remit the Make-up Payment as described in the Annual True-up process set forth in Section 23.9.7. If the Customer does not comply in all material respects with all Terms and Conditions of this Contract Offer No. 9, termination liability charges, in accordance with Section 23.9.10, will apply.

Contract Offer No. 9 will be available for subscription only from July 29, 2006 through August 29, 2006.

(N)

(x)Issued under Authority of Special Permission No. 06-028 of F.C.C.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.2 Services Available For WAMS-VIP Offer

(A) Contract Offer No. 9 applies to billed recurring revenues for the qualified access services contained in NBTC Tariff F.C.C. No. 1 (Qualified Access Services), listed in Table A, below:

Table A

Service	**General Basic Description**	**Rates and Charges**	
DS1 and DS3 Service	7.11.1	7.11.5	22.5.2.5
Broadband Circuit Service	20.1	20.3	22.5.2.9
Optical Carrier Network (OCN) Point-to-Point Service	21.1	21.3	22.5.2.10
Dedicated SONET Ring Service	26.1	26.4	22.5.2.12
OC-192 Dedicated SONET Ring Service	27.1	27.3	22.5.2.13
Gigabit Ethernet Metropolitan Area Network (GigaMAN)	7.13.1	7.13.12	22.5.2.7
Multi-service Optical Network (MON) Ring Service	8.1(A)	8.4	22.5.2.8

(B) When additional Qualified Access Services are added to the services available under NBTC Tariff F.C.C. No. 1, all billed, recurring revenues for such additional Qualified Access Services will be added to this Contract Offer No. 9 for the purposes of calculating the credits and incentives included in this Contract Offer No. 9.

(C) All terms and conditions for the Qualified Access Services are governed by the respective tariff sections, except as noted in this Contract Offer No. 9.

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.3 WAMS-VIP Offer Eligibility Criteria

The following eligibility criteria must be met to subscribe to Contract Offer No. 9:

(A) Concurrent Subscription

The Customer must concurrently subscribe to Contract Offer No. 9 pursuant to the following tariffs: (N)
(Nx)

(1) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 94;
(2) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 99;
(3) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 28; and
(4) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 121. (Nx)
(N)

Breach, cancellation or termination of any of these Contract Offers shall constitute a breach, cancellation or termination of all of these Contract Offers.

(B) The Customer must have billed recurring revenues for Qualified Access Services to establish a Baseline Minimum Annual Revenue Commitment (Baseline MARC) of $141,600,000;

(C) The Qualified Access Services must be located within the "Operating Territory" of the Telephone Company, as described in NBTC Tariff F.C.C. No. 1, Section 17 (Operating Territory); and

(D) All Qualified Access Service(s) must originate or terminate on a wireless carrier's network.
(N)

(x)Issued under Authority of Special Permission No. 06-028 of F.C.C.

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.4 WAMS-VIP Offer Terms and Conditions

(A) Revenue commitments are based on billed, recurring charges for the Qualified Access Services and specifically exclude any non-recurring charges, incentives and discounts earned under this Contract Offer No. 9;

(B) The Customer must maintain a Baseline Minimum Annual Revenue Commitment (MARC) of $141,600,000 each Term Year of this Contract Offer No. 9;

(C) The Customer must maintain the Incentive Discount Commitment (IDC), as defined in Section 23.9.6.(A)(1) for Term Years 2 to 5 for Qualified Access Services;

(D) The Customer's Baseline MARC and IDC will include all billed recurring revenue for Qualified Access Services identified in Section 23.9.2, and shall be based on the sum of all of the billed recurring revenues for the Qualified Access Services, including all of the contract offers as described in Section 23.9.3(A);

(E) Incentives and discounts earned by the Customer under this Contract Offer No. 9 shall be applied in the form of a credit to the Customer's bill(s) for Qualified Access Services, located in the Metropolitan Statistical Areas (MSAs) where the Telephone Company has been granted pricing flexibility, as listed in NBTC Tariff F.C.C. No. 1, Section 22;

(F) Contract Offer No. 9 incentives and discounts are in addition to, and do not alter, any of the existing service discount/term plans available in the Telephone Company's respective tariffs;

(G) The Telephone Company reserves the right to change rates for Qualified Access Services included under Contract Offer No. 9, but in the event of such rate modifications, no change will be made to the Baseline MARC or the IDC, except as specified in Section 23.9.7;

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.4 WAMS-VIP Offer Terms and Conditions (Cont'd)

(H) Qualified Access Services are subject to certain rates, charges and general terms and conditions in other sections of NBTC Tariff F.C.C. No. 1 (Sections 2-General Regulations, 5-Ordering Options for Switched and Special Access Service, and 13-Additional Engineering, Additional Labor and 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 Terms and Conditions described in Contract Offer No. 9;

(I) This Contract Offer No. 9 is available July 29, 2006 through August 29, 2006;

(J) The Customer must meet the criteria described for Incentive Discounts and Portability Incentives, as provided in Section 23.9.6; and

(K) To subscribe to Contract Offer No. 9, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

23.9.5 WAMS-VIP Offer Term Period

The contract term (Term Period) is sixty (60) months commencing on the date the LOS is signed by the Customer . Each twelve month (12) period beginning with the LOS signature date shall be a Term Year. At the end of the Term Period, the discounts and incentives provided in this Contract Offer No. 9 shall be discontinued.

This offer is not renewable.

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentives

The Customer will be eligible for the following Incentive Discounts and/or Portability Incentives (collectively "Incentives") under this Contract Offer No. 9 during each of the Term Years:

Incentive Discount Commitment Credit (IDCC);
Incentive Discount Plus Credit (IDPC); and
Portability Incentive for DS3s (Portability Incentive).

(A) Incentive Discount Commitment
In order to qualify for the IDCC, IDPC and Portability Incentives, the Customer must maintain the "Incentive Discount Commitment" (IDC):

(1) Establishment of the IDC

(a) For Term Year 1, the Customer's IDC will equal the Baseline MARC of $141,600,000, as described in Section 23.9.3(B);

(b) For Term Years 2 through 5, the Customer's IDC will be:

(i) The IDC from the previous Term Year; or

(ii) The IDC may be increased, at the Customer's election, effective with the beginning of the contract Term Year according to the IDC Levels in Table B, based on either the Achieved Revenue Amount, as defined in Section 23.9.7(A) or the Customer's billed recurring revenue for Qualified Access Services during the previous three (3) months times four (4).

(c) The Customer may elect, by providing written notice to the Telephone Company within sixty (60) days of the contract's Term Year end date, to increase the IDC:

(i) The IDC may be increased but never decreased;
(ii) The re-established IDC represents the Customer's IDC for the remainder of the Term Period; and
(iii) The IDC elected by the Customer cannot exceed the higher of the Achieved Revenue amount or the previous three (3) months billed recurring revenue for Qualified Access Services times four (4). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(A) Incentive Discount Commitment (Cont'd)

(2) Application of Incentive Discount Commitment
If during the Annual True-Up, as defined in Section 23.9.7(A), the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the IDCC, IDPC and Portability Incentives during the following Term Year, provided the criteria in Section 23.9.6(B),(C) and (D), respectively, are met.

Example: In Term Year 1, the Customer's Achieved Revenue Amount, determined by the Annual True-Up, equals $147,000,000 and the IDC is $141,600,000. Since the Achieved Revenue Amount exceeds the IDC, the Telephone Company would apply the IDCC, IDPC and Portability Incentives in Term Year 2, based on the Customer's IDC for Term Year 2 of $141,600,000.

(3) Notwithstanding the above, Incentives shall not be applied unless and until the Customer is current in paying (or properly disputing) all invoices submitted for payment by the Telephone Company for billed, recurring Qualified Access Services in accordance with NBTC Tariff F.C.C. No. 1, Section 2.

(B) Incentive Discount Commitment Credit for Qualified Access Services

IDCC shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 23.9.3(A). If qualified for a IDCC, an award of the IDCC under this Contract Offer will satisfy any IDCC obligations of the concurrently subscribed to contract offers as described in Section 23. 9.3(A), and an award of IDCC under such other contract offers shall satisfy any IDCC obligations under this Contract Offer No. 9.

The Customer will notify the Telephone Company in writing of the Billing Account Number(s) (BAN) and percentage of the IDCC awarded to be applied to each BAN(s) billing Qualified Access Services for the contract offers subscribed to in Section 23.9.3(A).

For each Term Year, the Customer will be eligible for an Incentive Discount Commitment Credit (IDCC) based on the sum of all billed recurring revenue for Qualified Access Services, including all of the contract offers as described in Section 23.9.3(A), according to Table B, following.

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(B) Incentive Discount Commitment Credit for Qualified Access Services (Cont'd)

Table B:

IDC Level	IDC	IDCC
1	$141,600,000	$12,700,000
2	$179,900,000	$19,800,000
3	$194,200,000	$25,300,000
4	$209,800,000	$31,500,000
5	$226,600,000	$36,300,000

(1) Application of Incentive Discount Commitment Credit

(a) The Telephone Company will apply the IDCC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDCC per Section 23.9.6(A)(2),as follows:

(i) One-quarter (1/4) of the IDCC will be applied thirty (30) days in arrears from the end of the 1st and 3rd Quarters of the Term Year based on the IDCC determined under Sections 23.9.6(B)(1)(b)and 23.9.6(B)(1)(c), below;

(ii) One-quarter (1/4) of the IDCC will be applied by the end of the 2nd Quarter, based on the IDCC determined under Sections 23.9.6(B)(1)(b)and 23.9.6(B)(1)(c), below; and

(iii) One-quarter(1/4)of the IDCC will be applied sixty (60) days in arrears from the end of the 4th Quarter of the Term Year, through the Annual True-Up described in Section 23.9.7.

(b) The IDCC applied during the first three (3) quarters of Term Year 1 will be based on IDC Level 1.

(c) The IDCC applied during the first three (3) quarters of Term Years 2 through 5 will be based on the IDC Level established in Section 23.9.6(A).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount Plus Credit for Qualified Access Service

IDPC shall be calculated and awarded on an aggregate basis across the concurrently subscribed to contract offers as described in Section 23.9.3(A). If qualified for a IDPC, an award of the IDPC under this Contract Offer will satisfy any IDPC obligations of the concurrently subscribed to contract offers as described in Section 23.9.3(A), and an award of IDPC under such other contract offers shall satisfy any IDPC obligations under this Contract Offer No. 9.

The Customer will notify the Telephone Company in writing of the Billing Account Number(s) (BAN) and percentage of the IDPC awarded to be applied to each BAN(s) billing Qualified Access Services for the contract offers subscribed to in Section 23.9.3(A).

For each Term Year, the Customer will be eligible for an IDPC which applies to non-IDC revenues. Non-IDC revenues are the sum of all recurring revenues associated with the Qualified Access Services, including billed recurring revenues of all of the contract offers as described in Section 23.9.3(A) that exceed the Customer's IDC (which are listed as Levels in Table B) according to the ranges set forth in Table C.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount Plus Credit for Qualified Access Service (Cont'd)

Table C:

IDC Level	Band	Non - IDCC Rev Min	Non - IDCC Rev Max	IDPC
1	1	$ 31,600,000	$ 38,299,999	$1,400,000
	2	$ 38,300,000	$ 52,699,999	$3,100,000
	3	$ 52,700,000	$ 68,199,999	$5,700,000
	4	$ 68,200,000	$ 84,999,999	$8,800,000
	5	$ 85,000,000	$ 103,099,999	$12,400,000
	6	$ 103,100,000	$ 122,699,999	$16,700,000
	7	$ 122,700,000	and above	$21,700,000
2	1	$ 7,200,000	$ 14,399,999	$1,700,000
	2	$ 14,400,000	$ 29,899,999	$3,800,000
	3	$ 29,900,000	$ 46,699,999	$6,900,000
	4	$ 46,700,000	$ 64,799,999	$10,600,000
	5	$ 64,800,000	$ 84,399,999	$14,900,000
	6	$ 84,400,000	$ 105,599,999	$20,000,000
	7	$ 105,600,000	and above	$25,700,000
3	1	$ 7,800,000	$ 15,499,999	$2,100,000
	2	$ 15,500,000	$ 32,299,999	$4,600,000
	3	$ 32,300,000	$ 50,499,999	$8,300,000
	4	$ 50,500,000	$ 69,999,999	$12,700,000
	5	$ 70,000,000	$ 91,199,999	$17,700,000
	6	$ 91,200,000	$ 113,999,999	$23,600,000
	7	$ 114,000,000	and above	$30,300,000
4	1	$ 8,400,000	$ 16,799,999	$2,500,000
	2	$ 16,800,000	$ 34,899,999	$5,400,000
	3	$ 34,900,000	$ 54,499,999	$9,800,000
	4	$ 54,500,000	$ 75,599,999	$15,000,000
	5	$ 75,600,000	$ 98,499,999	$20,900,000
	6	$ 98,500,000	$ 123,099,999	$27,700,000
	7	$ 123,100,000	and above	$35,500,000
5	1	$ 9,100,000	$ 18,099,999	$3,000,000
	2	$ 18,100,000	$ 37,699,999	$6,400,000
	3	$ 37,700,000	$ 58,799,999	$11,600,000
	4	$ 58,800,000	$ 81,699,999	$17,600,000
	5	$ 81,700,000	$ 106,299,999	$24,400,000
	6	$ 106,300,000	$ 132,999,999	$32,300,000
	7	$ 133,000,000	and above	$41,300,000

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(C) Incentive Discount Plus Credit for Qualified Access Service (Cont'd)

(1) Application of Incentive Discount Plus Credit

(a) The Telephone Company will apply the IDPC to the Customer's bill(s) for Qualified Access Services in those Term Years for which the Customer qualifies for the IDPC as provided in Section 23.9.6(C); and

(b) The IDPC corresponding to the IDC Level and IDPC Band will be credited to the Customer's bill sixty (60) days in arrears from the end of the 4th Quarter of the Term Year, through the Annual True-up described in Section 23.9.7.

(D) DS3 Portability Incentive

The Portability Incentive waives termination liability charges that would otherwise be assessed to the Customer for moves of DS3 Qualified Access Services.

This Portability Incentive will be applied in addition to the Incentives described in Sections 23.9.6(B) and(C).

(1) Eligibility Criteria for DS3 Portability Incentive

The Customer must meet the following criteria to receive the Portability Incentive:

(a) the Customer's DS3s must meet the Minimum Period requirements, as established under NBTC Tariff F.C.C. No. 1, Section 2.4.2, at the previous location;
(b) The Term Period of each new circuit must be equal to, or greater than, the remaining term of the disconnected circuit; and
(c) The disconnect and new service must be within the Operating Territory.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) DS3 Portability Incentive (Cont'd)

(2) Quarterly Review of Add and Disconnect Access Service Orders

The Telephone Company will perform quarterly reviews of the quantity of the DS3 "adds" and "disconnects" within the Telephone Company Operating Territory, as described in Section 23.9.3(C), as follows:

(a) If the Customer qualifies for the Portability Incentive as set forth in Sections 23.9.6(A) and 23.9.6(D)(1), and the cumulative "add" access service orders exceed cumulative "disconnect" access service orders during the Term Year, as measured on a quarterly basis, the cumulative adds and the cumulative disconnects will carry over quarter to quarter within a Term Year until the number of cumulative disconnects exceeds the cumulative adds;

(b) If the Customer qualifies for the Portability Incentive as set forth in Sections 23.9.6(A) and 23.9.6(D)(1), but cumulative "disconnect" access service orders exceed cumulative "add" access service orders during the Term Year, as measured on a quarterly basis, the Customer will be assessed termination liability charges on the number of circuits by which cumulative disconnect orders, where termination liability charges are applicable, exceed cumulative add orders; or

(c) During the Term Year, if the Customer is assessed termination liability charges as a result of cumulative "disconnects" access service orders exceeding cumulative "add" access service orders in any quarter, as described in 23.9.6(D)(2)(b), above, no cumulative "disconnect" access service orders or cumulative "add" access service orders will carry over to the next quarter within that Term Year.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.6 WAMS-VIP Offer Incentive Discounts (Cont'd)

(D) DS3 Portability Incentive (Cont'd)

(2) Quarterly Review of Add and Disconnect Access Service Orders (Cont'd)

Example:
During a given Term Year:

If at the end of the 1st Quarter:
DS3 "adds" = 10
DS3 "disconnects" = 3
Quarter Termination Liability = 0 DS3's
(DS3 "adds" are greater than DS3 "disconnects")

If at the end of the 2nd Quarter:
Cumulative DS3 "adds" = 11 (1st Qtr 10 plus 2nd Qtr 1)
Cumulative DS3 "disconnects"= 12 (1st Qtr 3 plus 2nd Qtr 9)
Quarter Termination Liability = 1 DS3
(Cumulative DS3 "disconnects" are greater than Cumulative DS3 "adds")

Termination Liability assessed based on the last disconnect order provisioned during the 2nd Quarter. The 1st and 2nd Quarter cumulative DS3 "adds" and cumulative DS3 "disconnects" will not accumulate into the 3rd Quarter.

If at the end of the 3rd Quarter:

DS3 "adds" = 2
DS3 "disconnects" = 1
Quarter Termination Liability = 0 DS3's
(DS3 "adds" are greater than DS3 "disconnects")

If at the end of the 4th Quarter:

Cumulative DS3 "adds" = 5 (3rd Qtr 2 plus 4th Qtr 3)
Cumulative DS3 "disconnects" = 3 (3rd Qtr 1 plus 4th Qtr 2)
Quarter Termination Liability = 0 DS3's
(Cumulative DS3 "adds" are greater than Cumulative DS3 "disconnects")

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.7 WAMS-VIP Annual True-Up

(A) An annual true-up calculation is performed after each Term Year ("Annual True-Up") to establish any 4th Quarter Incentive credits, adjustments or other payments that apply for the preceding twelve-month (12) period, as determined by whether:

(1) The Customer maintained its IDC during that Term Year;
(2) The Customer earned the IDCC received during the 1st, 2nd and 3rd Quarters of the Term Year ("Applied IDCC"); and
(3) The Customer qualifies to receive an IDPC.

For the purposes of the Annual True-Up calculations, the Customer's billed, recurring revenue for Qualified Access Services during the Term Year will constitute the Customer's "Achieved Revenue Amount." The IDCC and/or IDPC earned using the Achieved Revenue Amount compared to Table B in Section 23.9.6(B) and Table C in Section 23.9.6(C) will constitute the "Earned IDCC" and "Earned IDPC."

(B) Annual True-Up Calculations

(1) IDC Impact - Divested Market(s):

If the Telephone Company divests or sells any market(s) and if the billed recurring revenues for the Qualified Access Services that are used for the purposes of calculating the IDC are reduced, as a result of the divestiture and/or sale of those market(s), the Telephone Company will recalculate the IDC and IDCC, if requested by the Customer in writing within ninety (90) days of the divestiture and/or sale, according to the following steps below:

Step 1.
Determine the impact on total revenue by calculating the "IDC Impact-Divested Market(s)Percentage." The IDC Impact-Divested Market(s) Percentage is the percent change between the IDC and the Customer's billed recurring revenues for Qualified Access Services that the Telephone Company was required to divest.

Example:
IDC = $141,600,000
Revenue divestiture by the Telephone Company =$10,000,000

IDC minus divestiture amount = $131,600,000

IDC Impact – Divested Market(s) Percentage = 7.07%
(1-($132,000,000/$141,600,000)) (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(1) IDC Impact - Divested Market(s): (Cont'd)

Step 2:
The current Term Year's IDC will be adjusted by subtracting the dollar amount of the billed recurring revenues for Qualified Access Services that were divested by the Telephone Company. The IDCC for the current Term Year will be adjusted by the IDC Impact-Divested Markets Percentage and prorated from the time of divestiture.

Step 3:
The Telephone Company will recalculate the IDC(s) which remains available to the Customer (Table B) by subtracting the annualized dollar amount of the billed recurring revenues for Qualified Access Service that was divested by the Telephone Company.

Step 4:
The Telephone Company will recalculate the IDCC(s) which remains available to the Customer (Table B) by the ratio of the reduced IDC to the original IDC for each level.

Example:
Reduced IDC = $131,600,000
($141,600,000 – $10,000,000)

Reduced IDCC = $11,802,110
($12,700,000 – ($12,700,000 x 7.07%)

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up:

The Telephone Company will determine whether the Customer's Achieved Revenue Amount meets, exceeds or falls below the IDC.

(a) If the Customer's Achieved Revenue Amount meets or exceeds the IDC, the Telephone Company will apply the appropriate 4th Quarter IDCC credit. The Customer will receive its 4th Quarter payment, as set forth in Section 23.9.6(B)(1)(a)(iii).

(b) If the Customer's Achieved Revenue Amount falls below the IDC, the Customer may pay the difference between the Achieved Revenue Amount and the IDC ("Make-Up Payment"). If the Customer has identified an "IDC Negative Impact," as defined in Subsection (c), following, that amount will be subtracted from the Make-up Payment.

(i) The Telephone Company will notify the Customer within thirty (30) days of the end of the Term Year of any Make-Up Payment.

(ii) The Customer will pay the Make-Up Payment within thirty (30) days after receiving said notification from the Telephone Company.

(iii) The Telephone Company will apply the appropriate IDCC for the 4th Quarter of the Term Year within thirty (30) days of receiving the Make-Up Payment. The following Term Year's IDCC will be determined as set forth in Section 23.9.6(B). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(2) IDCC Annual True-Up: (Cont'd)

(c) The Telephone Company will adjust the Make-up Payment at the Annual True-up, by the amount identified as a "Negative IDC Impact" revenue amount, if the IDC is missed due to the following "Negative IDC Impact" causes:

(i) If the tariff rates for the billed recurring revenues for the Qualified Access Services that are used for the purposes of calculating the IDC are reduced by a percentage that causes the Customer's billed recurring revenues for such Qualified Access Services to fall below the IDC; and/or

(ii) If the Customer terminates Qualified Access Service(s) as a result of one or more Excessive Service Outages, as defined in Section 23.9.10(B), and the billed recurring revenues for the Qualified Access Services that are used for the purposes of calculating the IDC are reduced, as a result of the Excessive Service Outage termination, by a percentage that causes the Customer's billed recurring revenues for such Qualified Access Services to fall below the IDC.

(d) If the Customer chooses not to make the Make-Up Payment, in Section 23.9.7(B)(2)(b)(ii), this Contract Offer shall be terminated and termination liability charges will apply, as described in Section 23.9.10(A).

Example of IDCC Annual True-Up:

If the Achieved Revenue Amount for Term Year 3 is \$143,000,000 and the IDC is \$141,600,000, then the IDCC would be \$12,700,000. The IDCC applied for the 4th Quarter would be equal to \$12,700,000 (which is \$3,175,000 X 4) less the Applied IDCC received by the Customer for the Term Year.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.7 WAMS-VIP Annual True-Up (Cont'd)

(B) Annual True-Up Calculations (Cont'd)

(3) IDPC Annual True-Up:
The Telephone Company will determine whether the Customer's Achieved Revenue Amount exceeds the IDC.

(a) If the Achieved Revenue Amount exceeds the IDC, the revenue above the IDC will be used to determine the IDPC Band in Table C based on the IDC Level. The IDPC corresponding to the IDC Level and IDPC Band will be credited as per Section 23.9.6.(C), or

(b) If the Achieved Revenue Amount does not exceed the IDC or if revenue above the IDC, does not fall within an IDPC Band, as described in (a), above, no IDPC credit will be applied for the Term Year.

Example of IDPC Annual True-Up:

If the Achieved Revenue Amount for Term Year 1 is $175,000,000 and the IDC is $141,600,000 (IDC Level 1), the revenue above the IDC would equal $33,400,000 ($175,000,000 -$141,600,000). The IDPC applied in the 4th Quarter would be $1,400,000 per IDPC Band 1.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.8 WAMS-VIP Offer Merger/Acquisitions

(A) Assignment/Successors

(1) If the Customer wishes to assign or transfer its rights and obligations under this Contract Offer 9 ("Contract Offer Subscription"), the Telephone Company will permit such transfer or assignment if the criteria in NBTC Tariff F.C.C. No. 1, Section 2.1.2(A) are fulfilled, unless the proposed assignee or transferee demonstrates a lack of credit worthiness under any of the criteria in (a), (b) or (c), below, or if the assignee or transferee or its parent has commenced, or had initiated against it, a voluntary receivership or bankruptcy proceeding.

(a) Any debt 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 a rating organization for a possible downgrade; or

(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:

(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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) The Terms and Conditions of Contract Offer No. 9 shall continue in full force and effect if the Customer merges with, acquires, is acquired by, or sells all or substantially all its stock or assets to any other entity (Transfer). After a Transfer, if the other entity also purchases Qualified Access Service(s) from the Telephone Company, either directly or through any affiliates, the Customer shall not include under the Contract Offer Subscription any of the billed, recurring revenue for the Qualified Access Services of the other entity in place as of the date the Transfer is finalized (Transfer Date), except as may be provided below.

Notwithstanding the foregoing, the Customer may choose, at its discretion, one of the options set forth in Subsection Options (i) and (ii), following, within the time period that is between twelve (12) months and twenty-four (24) months after the Transfer Date.

To exercise an Option, the Customer shall send written notice to the Telephone Company, within the time period described above, stating which Option the Customer selects. The date that the Customer sends that written notice shall be the "Option Exercise Date." None of the Options shall alter in any way the terms or conditions of any contract or tariff pursuant to which the other entity obtains Qualified Access Services from the Telephone Company, including, but not limited to, any terms or conditions related to termination.

Option (i): The Customer and the Telephone Company shall recalculate the IDC, IDCC and IDPCs (collectively "Key Numbers") for the period from the Option Exercise Date to the end of the Term Period to allow for the combined billed, recurring revenues for Qualified Access Services of the Customer and the merged or acquiring company to be covered under the Contract Offer Subscription, provided the following conditions are met:

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(1) One hundred percent (100%) of the total combined billed, recurring revenues for Qualified Access Services of the Customer and the other entity must be included in the Contract Offer Subscription;

(2) The IDC will be adjusted according to the following formula:

The IDC will be equal to one hundred percent (100%) of the other entity's billed, recurring revenues for Qualified Access Services for the three (3) months immediately preceding the Option Exercise Date, multiplied by four (4), plus the actual IDC at the time of merger. This shall be the "Combined IDC," and

(3) The IDC and IDCC amounts will be adjusted according to the following formula:

The Option 1 multiplier ("Option 1 Multiplier"), which equals the ratio of the Combined IDC to the Customer's current IDC and IDCC, will be applied to the values of the IDC and IDCC associated with the IDC and IDCC Levels that are still available to the Customer, as defined in Section 23.9.6.

Example:
IDC = $141,600,000
Current IDC Level = 1
IDCC = $12,700,000

New Entity Revenue = $33,400,000
Combined IDC = $175,000,000
($141,600,000 plus $33,400,000)

Option 1 Multiplier = 1.24
($175,000,000/$141,600,000)
Combined IDCC = $15,748,000
($12,700,000 multiplied by 1.24)

(4) The IDPC Bands, IDPC ranges and IDPC amounts will be adjusted using the Option 1 Multiplier.

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.8 WAMS-VIP Offer Merger/Acquisitions (Cont'd)

(A) Assignment/Successors (Cont'd)

(2) (Cont'd)

Option (i): (Cont'd)

(5) The Customer must have at least thirty-six (36) months remaining in the Term Period under the Contract Offer Subscription, or if less than thirty-six (36) months are remaining in the Term Period under this Contract Offer Subscription, the Term Period shall be automatically extended so that the Terms and Conditions of the Contract Offer No. 9 remain in effect for thirty-six (36) months after the Option Exercise Date; and

(6) The Telephone Company will recalculate the Key Numbers within sixty (60) days of the Option Exercise Date, with no credits being applied to the Customer's bill(s) during this sixty (60) day period. Starting with the remaining quarters, combined Key Numbers will be used to determine applicable IDCC and IDPC credit amounts.

(a) If the Option Exercise Date falls within the 1st, 2nd or 3rd Quarters of the respective Term Year, the initial credit application of any eligible Combined IDCC will occur thirty (30) days after the Key Numbers are determined, or thirty (30) days in arrears of the end of the Quarter, whichever is later; or

(b) If the Option Exercise Date falls within the 4th Quarter of the respective Term Year, the initial credit application of any eligible Combined IDCC and/or Combined IDPC will occur thirty (30) days after the Key Number are determined, or sixty (60) days in arrears of the end of the Quarter, whichever is later.

Option (ii):
The Contract Offer Subscription shall be terminated as set forth within Section 23.9.10(A).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.9 WAMS-VIP Performance – Credits

(A) Cell Site Performance

Cell site Performance Improvement Credits may be available to the Customer based on the quality of service delivered during the Term Period, as set forth in Subparagraph (2), following. The credits will be granted in the event that the Telephone Company's Contract Offer No. 9 service performance level objectives for cell site DS1 Qualified Access Services are not met.

For Term Year 1, the Telephone Company will apply a maximum of $600,000 in special construction credits to improve performance at mutually agreed cell sites that are performing below the DS1 Percentage of 99.9650% Network Availability. The special construction credits will not exceed $600,000 for the sum of all mutually agreed cell sites in all of the Contract Offers, as described in Section 23.9.3(A). This special construction credit will be available until Term Year 1 Annual True-Up.

(1) The DS1 Qualified Access Services cell site performance level parameters will be based on DS1 Percentage of Network Availability. The DS1 Percent of Network Availability will be calculated by determining the actual hours that the cell site DS1 circuits are in service during the Term Year compared to the total expected availability, and then aggregating those total hours over the course of a Term Year.

Example:

If a Customer had 100 circuits in service at the end of January and 110 at the end of February, their total hours of expected availability would be (31 days times 100 circuits, times 24 hours) plus (28 days, times 110 circuits, times 24 hours), or 148,320. This would be the denominator of the network availability equation.

The numerator would be the total hours of outage based on measured trouble found tickets reported to the Telephone Company, subtracted from the 148,320. If there were eight (8) reported failures totaling twenty-eight (28) hours of outage time, the resulting availability for those two (2) months will be equal to ((148,320-28)/148,320), or 99.981 percent.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.9 WAMS-VIP Performance – Credits (Cont'd)

(A) Cell Site Performance (Cont'd)

(2) Table D, below, provides cell site service performance targets, based on DS1 Percentage of Network Availability, for each Term Year.

Table D

Term Year	% Network Availability
1	99.9650%
2	99.9700%
3	99.9750%
4	99.9850%
5	99.9900%

(3) At the Annual True-Up, if the Telephone Company's annual results fail to meet the performance target for the Term Year, as specified in Table D, above, and the Customer has met the IDC, the Telephone Company will provide credits for products and services as follows:

(i) The Telephone Company will apply one hundred dollars ($100) in special construction credits for each measured trouble found ticket reported to the Telephone Company during the Term Year for cell site improvements. The special construction credits will be used to improve performance at mutually agreed cell sites that are performing below the DS1 Percentage of Network Availability as specified in Table D, above; and

(ii) The special construction credits will be available for nine (9) months following the Annual True-Up in any Term Year in which the Telephone Company failed to meet the performance target.

Example: Special construction credits can be used to offset the cost of replacing copper with fiber at non-performing cell sites.

(N)

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

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.10 Termination

The Customer's subscription to this Contract Offer No. 9 shall terminate if the Customer elects to terminate this Contract Offer No. 9, or if the Customer materially breaches this Contract Offer, or any tariff governing any Qualifying Service provided pursuant to this Contract Offer No. 9, except as expressly provided to the contrary herein.

If the Customer elects to terminate its Contract Offer Subscription during the Term Period, the Customer must provide written notification to the Telephone Company indicating the Customer's intention to terminate its Contract Offer Subscription. This notification must include the date upon which the Customer wishes to terminate its Contract Offer Subscription.

(A) Termination Liability

Termination charges will be calculated as the percentage of all discounts given up to the time of termination as listed in Table E, below.

Table E:

Months	**Termination Liability %**
1 to 12	120%
13 to 24	75%
25 to 36	50%
37 to 48	25%
49 to 60	10%

Example:

The Customer terminates its Contract Offer Subscription after twenty-four (24) months, and the Customer received an IDCC of $25,400,000 for the previous twenty-four (24) months. The termination liability charges would be:

$25,400,000 X 75% = $19,050,000 termination liability charges. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.10 Termination (Cont'd)

(B) Excessive Service Outage Termination

An Excessive Service Outage occurs when the Customer's, Dedicated SONET Ring Service (DSRS), or any self-healing ring-based Qualified Access Service experiences simultaneous equipment service interruptions of both the working and protection path of the network, and the service interruptions have not been excepted from treatment for a credit allowance under NBTC Tariff F.C.C. No. 1, Section 2.

(1) An Excessive Service Outage remedy will be available to the Customer if any of the following conditions apply:

(a) If, during any consecutive six (6) month period, there are more than two (2) Excessive Service Outages on an individual DSRS;

(b) If, during any consecutive twelve (12) month period, there are more than three (3) Excessive Service Outages on an individual DSRS; and/or

(c) If Excessive Service Outages reach a cumulative total of twelve (12) hours in any period of thirty (30) consecutive calendar days on an individual DSRS.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.9 Contract Offer No. 9 – Wireless Advantage Managed Services Value Incentive Plan (WAMS-VIP) Offer (Cont'd)

23.9.10 Termination (Cont'd)

(B) Excessive Service Outage Termination (Cont'd)

(2) If an Excessive Service Outage occurs, the Customer shall have one of the following Excessive Service Outage remedies. The Customer shall elect one of these remedies within sixty (60) days after the end of the Excessive Service Outage, as defined in Section 23.9.10(B)(1), by providing written notice to the Telephone Company:

(a) All underlying tariff remedies for the outage will apply for each Excessive Service Outage with no monthly limitations;

(b) Any failed equipment that is responsible for an Excessive Service Outage will be replaced, at no charge to the Customer, and with no change in the Customer's Term Period; or

(c) The Customer may terminate its subscription to the DSRS service which incurred the outage(s) without incurring termination liability charges, if applicable, by providing written notice to the Telephone Company. Termination will be effective within two hundred and forty (240) calendar days following delivery of written notice to the Telephone Company. (N)

(N)

23. Pricing Flexibility Contract Offerings

23.10 Contract Offer No. 10 – Dedicated SONET Ring Service Offer

23.10.1 General Description

Dedicated SONET Ring Service Offer (Contract Offer No. 10) is an access service discount pricing plan that permits Customers that meet the Eligibility Criteria in Section 23.10.3, and the Terms and Conditions in Section 23.10.4, to purchase Subject Services listed in Section 23.10.2 at the discounted rates provided in Section 23.10.5. Subject Services provided under Contract Offer No. 10 are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as (MSAs) listed in Section 23.10.3(B).

Contract Offer No. 10 is available for subscription from August 11, 2006 through September 11, 2006. This Contract Offer is not renewable.

23.10.2 Subject Services

(A) Contract Offer No. 10 applies to the following pricing flexibility qualified access services (hereafter referred to as Subject Services) contained in the following tariff sections:

(1) Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No 1, Section 26 – Dedicated SONET Ring Service (DSRS).

(B) All Terms and Conditions for the Subject Services listed above are governed by their respective tariff sections, except as noted herein.

23.10.3 Eligibility Criteria

The following eligibility criteria must be met to receive the Contract Offer No. 10 discounted rates:

(A) Subject Services must be pricing flexibility qualified access services listed in Section 23.10.2(A);

(B) Subject Services must be located in the following Pricing Flexibility MSA: Reno, NV; and

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

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.10 Contract Offer No. 10 – Dedicated SONET Ring Service Offer (Cont'd)

23.10.4 Terms and Conditions

(A) Term Period

The contract term (Term Period) shall be five (5) years commencing on the date billing begins. Billing shall begin no later than thirty (30) days after the Telephone Company's installation of the Subject Services provided under this Contract Offer. This offer is not renewable.

At the expiration of the Term Period, the Customer may choose from the payment plan options described in NBTC Tariff F.C.C. No. 1, Section 26, for DSRS. If, at the expiration of the Term Period, the Customer does not choose to disconnect or to select one of those payment plan options, the Telephone Company shall convert the Subject Services to the prevailing monthly extension tariff rates as described in Section 22.5.2.12.

(B) Rate stability under Contract Offer No. 10 shall apply only to the rates specific to this Contract Offer, as provided in Rate Table A of Section 23.10.5. Subject Services are also subject to certain rates, charges and general terms and conditions as set forth in Sections 2-General Regulations, 5-Ordering Options, and 13-Additional Engineering, Additional Labor and Miscellaneous 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. Subject Services are also subject to general terms and conditions of NBTC F.C.C. Tariff No. 1, and such terms and conditions may be modified through the filing of tariff changes at any time during the Term Period.

(C) In order to subscribe to this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.

(D) If, after five (5) days from the date the Telephone Company receives the 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 documented actual costs incurred by the Telephone Company directly related to the cancelled service up to the date of cancellation.

(N)

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

23.10 Contract Offer No. 10 – Dedicated SONET Ring Service Offer (Cont'd)

23.10.4 Terms and Conditions (Cont'd)

(E) If the Customer terminates an individual Subject Service provided under this Contract Offer and/or terminates this Contract Offer in its entirety during the Term Period, termination liability charges will apply in accordance with Section 23.10.8.

(F) Any additional service, features or functions not listed in Section 23.10.5 of this Contract Offer must be requested by the Customer, and will be provided by the Telephone Company according to Section 22 - Metropolitan Statistical Area Access Services.

(G) The Customer must order one (1) new three (3) node OC-48 DSRS within thirty (30) days of contract subscription. During the Term Period, the Customer may order additional nodes to be added to the Subject Service at the prices pursuant to this Contract Offer.

23.10.5 Rates and Charges

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

The Customer shall pay the following Monthly Recurring Charge (MRC) for the new OC-48 DSRS, as described in Table A, below.

Table A

OC-48 DSRS Rate Elements	**USOC**	**Rate**
Customer Premises Node, Per Node	FP5EX	$3,430.00
Central Office Node, Per Node	FC5EX	$2,800.00
OC-48 Add/Drop Capability, Per Node	MPEFX	$ 980.00
OC12/OC12c Port, Per Port	SPRHX	$ 252.00
OC3/OC3c Port, Per Port	SPRJX	$ 94.50
DS3 Port, Per Port	SPRKX	$ 77.00
OC-48 Mileage, Per Mile	1YAZX	$ 154.00
OC-48 Regenerator, Per Regenerator	RGY	$1,834.00

Prevailing tariff Non-Recurring Charges (NRCs) as described in Sections 22 and 26 for OC-48 DSRS shall apply.

If a node is added to the OC-48 DSRS, prior to the last twelve (12) months of the Term Period, the new node will be co-terminus with the initial Term Period. 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.

(N)

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

23.10 Contract Offer No. 10 – Dedicated SONET Ring Service Offer (Cont'd)

23.10.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to NBTC Tariff F.C.C. No. 1, Section 2.1.2, the Telephone Company will acknowledge such transfer or assignment if the criteria in NBTC Tariff F.C.C. No. 1, 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.

(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:

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

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

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.10 Contract Offer No. 10 – Dedicated SONET Ring Service Offer (Cont'd)

23.10.7 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 of 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 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.

23.10.8 Termination Liability

Termination liability shall apply as provided herein, in lieu of termination liability as provided in NBTC Tariff F.C.C. No 1, Section 26. Termination charges shall become due as of the effective date of the termination and are payable within thirty (30) days after the billing invoice date.

Termination liability charge applies if the Customer terminates an individual Subject Service provided under this Contract Offer, terminates this Contract Offer in its entirety or if the Customer materially breaches this Contract Offer. The Customer shall be liable for a termination charge which shall be equal to 50 percent of the MRC for the Subject Service for the balance of the Term Period.

The termination charge shall be calculated as (MRC) multiplied by (months remaining in Service Term) multiplied by termination liability percentage of 50 percent).

Example: The MRC for the Subject Service equals $10,000 and the Subject Service is terminated after thirty-six (36) months, with twenty-four (24) months remaining in the Term Period. The termination charge would be:

($10,000 X 24) X 50% = $120,000 Termination Charge

Upon termination of this Contract Offer, all Subject Services then remaining in service will be converted to the prevailing monthly extension tariff rates applicable to the Subject Services as described in NBTC Tariff F.C.C. No. 1, Section 22.

(N)

(N)

23. Pricing Flexibility Contract Offerings

23.11 Contract Offer No. 11 – OC-192 Dedicated SONET Ring Offer

23.11.1 General Description

Contract Offer No. 11 – OC-192 Dedicated SONET Ring Offer is an access discount pricing plan that provides the Customer with discounted rates for the consolidation of point-to-point services to an OC-192 Dedicated SONET Ring infrastructure.

Contract Offer No. 11 is available for subscription October 3, 2006 through November 3, 2006. This Contract Offer is not renewable.

23.11.2 Service Qualifications

(A) This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Section 27 – OC-192 Dedicated SONET Ring Service.

(B) Subject Services provided under this Contract Offer must be:

(1) Located in the following Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA): Reno, NV

(2) A new OC-192 Dedicated SONET Ring configured as:

(a) One (1) Customer Premises Node;
(b) One (1) Central Office (CO) Node; and
(c) Ring Mileage less than ten (10) miles.

23.11.3 Eligibility Criteria

Any Customer that is willing to purchase qualified services as described in Section 23.11.2(B) from the Telephone Company within six (6) months of subscription to this Contract Offer shall be eligible. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.11 Contract Offer No. 11 – OC-192 Dedicated Ring Offer (Cont'd)

23.11.4 Terms and Conditions

(A) Term Period

The initial contract term (Term Period) shall be sixty-six (66) months commencing on the date the Telephone Company receives a Letter of Subscription (LOS) from the Customer.

Upon the completion of the initial sixty-three (63) months of the Term Period, the Term Period shall be automatically extended on a month-to-month basis until terminated by either party upon no less than ninety (90) days written notice to the other.

Upon termination of the Term Period, the Subject Services provided under this Contract Offer shall be subsequently provided under the prevailing applicable monthly extension rates found in Section 22.5.2.13, unless the Customer:

(1) Selects an applicable Term Pricing Plan described in Section 27.3(C); or

(2) Disconnects the Subject Services.

(B) General

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges and general terms and conditions described in Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All terms and conditions for the Subject Services provided under this Contract Offer shall continue to be governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer shall not include Subject Services provided under this Contract Offer in any other contract offer.

(4) To subscribe to this Contract Offer, the Customer must provide the Telephone Company with an LOS. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.11 Contract Offer No. 11 – OC-192 Dedicated Ring Offer (Cont'd)

23.11.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(5) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(6) If the Customer terminates this Contract Offer, termination liability charges shall apply in accordance with Section 23.11.8(A).

(7) The Telephone Company shall provide one (1) new Subject Service (OC-192 Dedicated SONET Ring) under this Contract Offer.

(8) The minimum term commitment, Service Term, for each rate element on the Subject Service provided under this Contract Offer shall be sixty (60) months. If the Customer disconnects rate elements prior to the completion of the Service Term, a termination charge shall apply in accordance with Section 23.11.8(B).

(9) The Customer must purchase one (1) new Subject Service configured as described in Section 23.11.2(B). The Subject Service must be installed by the Telephone Company and accepted by the Customer within the first six (6) months of the Term Period.

(10) If the Customer fails to purchase the required new Subject Service as described above, the Customer shall pay the Telephone Company a true-up amount, equal to $1,200 per day until the required Subject Service has been purchased. The true-up amount, if required, will be billed after the required Subject Service is purchased or upon termination of this Contract Offer after six (6) months of non-compliance with Section 23.11.4(B)(9), above.

(11) The Telephone Company will waive any applicable termination charges for Customers subscribed to Contract Offer No. 11, upon such Customer's subscription to this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.11 Contract Offer No. 11 – OC-192 Dedicated Ring Offer (Cont'd)

23.11.5 Rates and Charges

The following Monthly Recurring Charges (MRCs) shall apply to the rate elements on the Subject Service provided under this Contract Offer.

Description	**Applicable USOC**	**MRC**
Per Node		
Customer Premises Node	GP5AX	$13,500.00
CO Node	GC5AX	12,000.00
Add Drop Capability	MXRGX	3,240.00
Mileage, per mile between nodes	1YAZX	210.00
Per Port		
DS3	S9QGX	110.00
OC-3, OC-3c	S9NEX	120.00
OC-12, OC-12c	S9NGX	300.00
OC-48, OC-48c	S9NJX	760.00
100 Mbps Ethernet (STS-1)	S9TNX	130.00
100 Mbps Ethernet (STS-3c)	S9TOX	160.00
1 Gbps Ethernet (STS-1)	S9TPX	200.00
1 Gbps Ethernet (STS-3c)	S9TQX	200.00
1 Gbps Ethernet (STS-12c)	S9TRX	500.00
1 Gbps Ethernet (STS-24c)	S9TSX	850.00

Any rate element not described herein shall be subject to the rates and charges outlined in Section 22.5.2.13.

23.11.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to Section 2.1.2, the Telephone Company shall acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) herein, 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.11 Contract Offer No. 11 – OC-192 Dedicated Ring Offer (Cont'd)

23.11.6 Assignment and Transfer (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 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.

(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.

23.11.7 Mergers and Acquisitions

All provisions 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 Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, shall 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.11 Contract Offer No. 11 – OC-192 Dedicated Ring Offer (Cont'd)

23.11.8 Termination Liability

During the Term Period of this Contract Offer, the termination liability language contained below applies in lieu of the termination liability language described in Section 27.3. Termination charges shall become due as of the effective date of the termination.

(A) If the Customer terminates this Contract Offer, or is not in compliance with all provisions of this Contract Offer, the Customer shall be liable for a termination charge which shall be equal to $21,530 per month for the balance of the Term Period. The termination charge shall be calculated as $21,530 multiplied by (months remaining in Term Period).

Example: The Contract Offer is terminated after fifty-three (53) months and has ten (10) months remaining in the Term Period. The termination charge shall be:

$21,530 X 10 = $215,300 Termination Charge

(B) If the Customer terminates individual rate elements provided under this Contract Offer during the Service Term, the Customer shall be liable for a termination charge which shall be equal to fifty (50) percent of the MRC for the terminated rate elements for the balance of the Service Term. The termination charge shall be calculated as (MRC) multiplied by (months remaining in Service Term) multiplied by (termination liability percentage of 50 percent).

Example: The MRC equals $110 and the Subject Service is terminated after thirty-six (36) months and has twenty-four (24) months remaining in the Term Period. The termination charge shall be:

($110 X 24) X 50% = $1,320 Termination Charge

(N)

(N)

23. Pricing Flexibility Contract Offerings

23.12 Contract Offer No. 12 – OC-192 Dedicated SONET Ring Offer

23.12.1 General Description

Contract Offer No. 12 – OC-192 Dedicated SONET Ring Offer is an access discount pricing plan that provides the Customer with discounted rates for an OC-192 Dedicated SONET Ring infrastructure.

Contract Offer No. 12 is available for subscription November 29, 2006 through December 29, 2006. This Contract Offer is not renewable.

23.12.2 Service Qualifications

(A) This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Section 27 – OC-192 Dedicated SONET Ring Service.

(B) Subject Services provided under this Contract Offer must be:

(1) Located in the following Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA): Reno, NV

(2) A new OC-192 Dedicated SONET Ring configured as:

(a) One (1) Customer Premises Node;
(b) One (1) Central Office (CO) Node; and
(c) Ring Mileage less than ten (10) miles.

23.12.3 Eligibility Criteria

Any Customer willing to purchase Subject Services as described in Section 23.12.2(B) from the Telephone Company shall be eligible. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.12 Contract Offer No. 12 – OC-192 Dedicated Ring Offer (Cont'd)

23.12.4 Terms and Conditions

(A) Term Period

The initial contract term (Term Period) shall be sixty-six (66) months commencing on the date the Telephone Company receives a Letter of Subscription (LOS) from the Customer.

Upon the completion of the initial sixty-six (66) months of the Term Period, the Term Period shall be automatically extended on a month-to-month basis until terminated by either party upon no less than ninety (90) days written notice to the other.

Upon termination of the Term Period, the Subject Services provided under this Contract Offer shall be subsequently provided under the prevailing applicable monthly extension rates found in Section 22.5.2.13, unless the Customer:

(1) Selects an applicable Term Pricing Plan described in Section 27.3(C); or
(2) Disconnects the Subject Services.

(B) General

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges and general terms and conditions described in Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All terms and conditions for the Subject Services provided under this Contract Offer shall continue to be governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer shall not include Subject Services provided under this Contract Offer in any other contract offer.

(4) To subscribe to this Contract Offer, the Customer must provide the Telephone Company with an LOS.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.12 Contract Offer No. 12 – OC-192 Dedicated Ring Offer (Cont'd)

23.12.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(5) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(6) If the Customer terminates this Contract Offer, termination liability charges shall apply in accordance with Section 23.12.8(A).

(7) The Telephone Company shall provide one (1) new Subject Service (OC-192 Dedicated SONET Ring) under this Contract Offer.

(8) The minimum term commitment, Service Term, for each rate element on the Subject Service provided under this Contract Offer shall be sixty (60) months. If the Customer disconnects rate elements prior to the completion of the Service Term, a termination charge shall apply in accordance with Section 23.12.8(B).

(9) The Customer must purchase one (1) new Subject Service configured as described in Section 23.12.2(B). The Subject Service must be installed by the Telephone Company and accepted by the Customer within the first six (6) months of the Term Period.

(10) If the Customer fails to purchase the required new Subject Service as described above, the Customer shall pay the Telephone Company a true-up amount, equal to $1,200 per day until the required Subject Service has been purchased. The true-up amount, if required, will be billed after the required Subject Service is purchased, by the Customer or upon termination of this Contract Offer after six (6) months of non-compliance with Section 23.12.4(B)(9), above.

(11) The Telephone Company will waive any applicable termination charges for Customers subscribed to Contract Offer No. 11, upon such Customer's subscription to this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.12 Contract Offer No. 12 – OC-192 Dedicated Ring Offer (Cont'd)

23.12.5 Rates and Charges

The following Monthly Recurring Charges (MRCs) shall apply to the rate elements on the Subject Service provided under this Contract Offer.

Description	**Applicable USOC**	**MRC**
Per Node		
Customer Premises Node	GP5AX	$13,000.00
CO Node	GC5AX	11,500.00
Add/Drop Capability	MXRGX	3,240.00
Optical to Electrical Add/Drop	MXJGX	1,000.00
Mileage, per mile between nodes	1YAZX	210.00
Per Port		
DS3	S9QGX	110.00
OC-3, OC-3c	S9NEX	120.00
OC-12, OC-12c	S9NGX	300.00
OC-48, OC-48c	S9NJX	760.00
100 Mbps Ethernet (STS-1)	S9TNX	130.00
100 Mbps Ethernet (STS-3c)	S9TOX	160.00
1 Gbps Ethernet (STS-1)	S9TPX	200.00
1 Gbps Ethernet (STS-3c)	S9TQX	200.00
1 Gbps Ethernet (STS-12c)	S9TRX	500.00
1 Gbps Ethernet (STS-24c)	S9TSX	850.00

Any rate element not described herein shall be subject to the rates and charges outlined in Section 22.5.2.13.

23.12.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer, pursuant to Section 2.1.2, the Telephone Company shall acknowledge such transfer or assignment if the criteria in Section 2.1.2 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 has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it). (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.12 Contract Offer No. 12 – OC-192 Dedicated Ring Offer (Cont'd)

23.12.6 Assignment and Transfer (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 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.

(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.

23.12.7 Mergers and Acquisitions

All provisions 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 Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, shall 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.12 Contract Offer No. 12 – OC-192 Dedicated Ring Offer (Cont'd)

23.12.8 Termination Liability

During the Term Period of this Contract Offer, the termination liability language contained below applies in lieu of the termination liability language described in Section 27.3. Termination charges shall become due as of the effective date of the termination.

(A) If the Customer terminates this Contract Offer, or is not in compliance with all provisions of this Contract Offer, the Customer shall be liable for a termination charge which shall be equal to $21,530 per month for the balance of the Term Period. The termination charge shall be calculated as $21,530 multiplied by (months remaining in Term Period).

Example: The Contract Offer is terminated after fifty-three (53) months, and has ten (10) months remaining in the Term Period. The termination charge shall be:

$21,530 X 10 = $215,300 Termination Charge

(B) If the Customer terminates individual rate elements provided under this Contract Offer during the Service Term, the Customer shall be liable for a termination charge which shall be equal to 50 percent of the MRC for the terminated rate elements for the balance of the Service Term. The termination charge shall be calculated as (MRC) multiplied by (months remaining in Service Term) multiplied by (termination liability percentage of 50 percent).

Example: The MRC equals $110 and the Subject Service is terminated after thirty-six (36) months, and has twenty-four (24) months remaining in the Term Period. The termination charge shall be:

($110 X 24) X 50% = $1,320 Termination Charge

(N)

(N)

23. Pricing Flexibility Contract Offerings

23.13 Contract Offer No. 13 – OC-192 Dedicated SONET Ring Offer

23.13.1 General Description

Contract Offer No. 13 – OC-192 Dedicated SONET Ring Offer is an access discount pricing plan that provides the Customer with discounted rates for one OC-192 Dedicated SONET Ring.

Contract Offer No. 13 is available for subscription January 31, 2007 through March 2, 2007. This Contract Offer is not renewable.

23.13.2 Service Qualifications

(A) This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Section 27 – OC-192 Dedicated SONET Ring Service.

(B) Subject Services provided under this Contract Offer must be:

(1) Located in the following Pricing Flexibility Metropolitan Statistical Area (hereafter referred to as MSA): Reno, NV

(2) A OC-192 Dedicated SONET Ring configured as:

(a) Two (2) Customer Premises Nodes;
(b) One (1) Central Office (CO) Node; and
(c) Ring Mileage less than ten (10) miles.

23.13.3 Eligibility Criteria

Any Customer willing to purchase Subject Services as described in Section 23.13.2(B) from the Telephone Company shall be eligible.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.13 Contract Offer No. 13 – OC-192 Dedicated Ring Offer (Cont'd)

23.13.4 Terms and Conditions

(A) Term Period

The initial contract term (Term Period) shall be sixty-six (66) months, commencing on the date the Telephone Company receives a Letter of Subscription (LOS) from the Customer.

Upon the completion of the initial sixty-six (66) months of the Term Period, the Term Period shall be automatically extended on a month-to-month basis until terminated by either party upon no less than ninety (90) days written notice to the other.

Upon termination of the Term Period, the Subject Services provided under this Contract Offer shall be subsequently provided under the prevailing applicable monthly extension rates found in Section 22.5.2.13, unless the Customer:

(1) Selects an applicable Term Pricing Plan described in Section 27.3(C); or
(2) Disconnects the Subject Services.

(B) General

(1) Subject Services provided under this Contract Offer are subject to certain rates, charges and general terms and conditions described in Sections 2, 5 and 13, as applicable. Such terms and conditions may be modified through filing tariff changes at any time during the Term Period; however, such tariff modifications will not change the Terms and Conditions described in this Contract Offer.

(2) All terms and conditions for the Subject Services provided under this Contract Offer shall continue to be governed by the otherwise applicable tariff sections, except as provided herein.

(3) The Customer shall not include Subject Services provided under this Contract Offer in any other contract offer.

(4) To subscribe to this Contract Offer, the Customer must provide the Telephone Company with LOS.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.13 Contract Offer No. 13 – OC-192 Dedicated Ring Offer (Cont'd)

23.13.4 Terms and Conditions (Cont'd)

(B) General (Cont'd)

(5) Commingling shall be defined as provided in Section 2.6. Commingling of Subject Services provided under this Contract Offer is prohibited.

(6) If the Customer terminates this Contract Offer, termination liability charges shall apply in accordance with Section 23.13.8(A).

(7) The Telephone Company shall provide one (1) new Subject Service (OC-192 Dedicated SONET Ring) under this Contract Offer.

(8) The minimum term commitment, Service Term, for each rate element on the Subject Service provided under this Contract Offer shall be sixty (60) months. If the Customer disconnects rate elements prior to the completion of the Service Term, a termination charge shall apply in accordance with Section 23.13.8(B).

(9) The Customer must purchase one (1) new Subject Service configured as described in Section 23.13.2(B). The Subject Service must be installed by the Telephone Company and accepted by the Customer within the first six (6) months of the Term Period.

(10) If the Customer fails to purchase the required new Subject Service as described above, the Customer shall pay the Telephone Company a true-up amount, equal to $1,600 per day, until the required Subject Service has been purchased. The true-up amount, if required, will be billed after the required Subject Service is purchased, by the Customer or upon termination of this Contract Offer after six (6) months of non-compliance with Section 23.13.4(B)(9), above.

(11) The Telephone Company will waive any applicable termination charges for Customers who subscribe to Contract Offer No. 12, upon such Customer's termination of Contract Offer No. 12 and their subscription to this Contract Offer.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.13 Contract Offer No. 13 – OC-192 Dedicated Ring Offer (Cont'd)

23.13.5 Rates and Charges

The following Monthly Recurring Charges (MRCs) shall apply to the rate elements on the Subject Service provided under this Contract Offer.

Description	**Applicable USOC**	**MRC**
Per Node		
Customer Premises Node	GP5AX	$12,500.00
CO Node	GC5AX	11,500.00
Add/Drop Capability	MXRGX	2,160.00
Optical to Electrical Add/Drop	MXJGX	500.00
Mileage, per mile between nodes	1YAZX	0.00
Per Port		
DS3	S9QGX	110.00
OC-3, OC-3c	S9NEX	120.00
OC-12, OC-12c	S9NGX	300.00
OC-48, OC-48c	S9NJX	760.00
100 Mbps Ethernet (STS-1)	S9TNX	130.00
100 Mbps Ethernet (STS-3c)	S9TOX	160.00
1 Gbps Ethernet (STS-1)	S9TPX	200.00
1 Gbps Ethernet (STS-3c)	S9TQX	200.00
1 Gbps Ethernet (STS-12c)	S9TRX	500.00
1 Gbps Ethernet (STS-24c)	S9TSX	850.00

Any rate element not described herein shall be subject to the rates and charges outlined in Section 22.5.2.13.

23.13.6 Assignment and Transfer

If the Customer wishes to assign or transfer its use of services under this Contract Offer, pursuant to Section 2.1.2, the Telephone Company shall acknowledge such transfer or assignment if the criteria in Section 2.1.2 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 has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.13 Contract Offer No. 13 – OC-192 Dedicated Ring Offer (Cont'd)

23.13.6 Assignment and Transfer (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 fifty 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.

(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.

23.13.7 Mergers and Acquisitions

All provisions 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 Subject Services from the Telephone Company, the Subject Services, as provided for in this Contract Offer, shall 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)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.13 Contract Offer No. 13 – OC-192 Dedicated Ring Offer (Cont'd)

23.13.8 Termination Liability

During the Term Period of this Contract Offer, the termination liability language contained below applies in lieu of the termination liability language described in Section 27.3. Termination charges shall become due as of the effective date of the termination.

(A) If the Customer terminates this Contract Offer, or is not in compliance with all provisions of this Contract Offer, the Customer shall be liable for a termination charge which shall be equal to $27,530 per month for the balance of the Term Period. The termination charge shall be calculated as $27,530 multiplied by (months remaining in Term Period).

Example: The Contract Offer is terminated after fifty-six (56) months, and has ten (10) months remaining in the Term Period. The termination charge shall be:

$27,530 X 10 = $275,300 Termination Charge

(B) If the Customer terminates individual rate elements provided under this Contract Offer during the Service Term, the Customer shall be liable for a termination charge which shall be equal to fifty (50) percent of the MRC for the terminated rate elements for the balance of the Service Term. The termination charge shall be calculated as (MRC) multiplied by (months remaining in Service Term) multiplied by (termination liability percentage of 50 percent).

Example: The MRC equals $110 and the Subject Service is terminated after thirty-six (36) months, and has twenty-four (24) months remaining in the Term Period. The termination charge shall be:

($110 X 24) X 50% = $1,320 Termination Charge

(N)

23. Pricing Flexibility Contract Offerings (N)

23.14 Contract Offer No. 14— Price Flex MARC and Discount Freeze Option

23.14.1 General Description

Contract Offer No. 14 - The Price Flex MARC and Discount Freeze Option permits the modification of certain contract offers set forth in Nevada Bell Telephone Company (NBTC) Tariff No. 1, Section 23, that contain Minimum Annual Revenue Commitments (MARCs), and were in effect as of December 29, 2006. This Contract Offer is available to Customers that meet the Eligibility Criteria specified below.

This Contract Offer implements the following commitment of the Telephone Company (Special Access Commitment 11):

> “Within 14 days of the Merger Closing Date, the AT&T/BellSouth ILECs will give notice to customers of AT&T/BellSouth with interstate pricing flexibility contracts that provide for a MARC that varies over the life of the contract that, within 45 days of such notice, customers may elect to freeze, for the remaining term of such pricing flexibility contract, the MARC in effect as of the Merger Closing Date, provided that the customer also freezes, for the remaining term of such pricing flexibility contract, the contract discount rate (or specified rate if the contract sets forth specific rates rather than discounts off of referenced tariffed rates) in effect as of the Merger Closing Date.”

Merger Closing Date, for purposes of this Contract Offer, shall be December 29, 2006. (N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.14 Contract Offer No. 14 – Price Flex MARC and Discount Freeze Option (Cont'd)

23.14.2 Eligibility Criteria

The Customer must meet the following eligibility criteria to subscribe to this Contract Offer:

(A) As of December 29, 2006, the Customer must have subscribed to one or more pricing flexibility contract offers in NBTC Tariff No. 1, Section 23, and such contract offer(s) must include a MARC that varies over the Term Period(s) of the contract offer(s); and

(B) Within 45 days after receiving notice from the Telephone Company regarding Special Access Commitment 11, the Customer must have elected to freeze the MARC and discount rate (or specified rate if the contract offer sets forth specific rates rather than discounts from referenced tariff rates) in effect as of December 29, 2006.

23.14.3 Terms and Conditions

(A) Within thirty (30) days of the effective date of this Contract Offer, the Customer must submit a Letter of Subscription (LOS) to the Telephone Company, which must identify each pricing flexibility contract offer for which the Customer elects to freeze its MARC and discount rate (or specified rate).

(B) Notwithstanding any provision of any contract offer that provides for a MARC which varies over the Term Period of such Contract Offer, the MARC and discount rate (or specified rate) shall remain fixed for the remainder of the Term Period of such Contract Offer at the levels in effect as of December 29, 2006.

(N)

(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.14 Contract Offer No. 14 – Price Flex MARC and Discount Freeze Option (Cont'd)

23.14.3 Terms and Conditions (Cont'd)

(C) The Telephone Company shall make such billing adjustments as may be necessary to implement Section 23.14.3(B) of this Contract Offer.

(D) This Contract Offer shall not affect the interpretation or application of any provision of any contract offer that affects the MARC only incidentally or indirectly, such as Merger and Acquisition provisions that require recalculation or adjustment of the MARC to take into account the effects of a merger or acquisition of or by the Customer.

(E) The Customer shall comply with all terms and conditions applicable to the service subject to this Contract Offer, including those of any underlying contract offer or any otherwise applicable tariff. Any violation of such a contract offer or tariff shall be deemed a violation of this Contract Offer.

(F) The rates, terms and conditions applicable to the Customer's service shall not be affected by this Contract Offer except as expressly provided. (N)

24. True IP To PSTN (TIPToP) Service (N)

24.1 Service Description

(A) Basic Service Description

TIPToP service offers the providers of Internet Protocol (IP) enabled voice information services that use the TIPToP service (TIPToP Customers) the capability to connect traffic from IP enabled voice information service user (IP-VIS User) to Telephone Company End Users, or Off Net End Users using Public Switched Telephone Network (PSTN) based voice services via end offices or tandems subtended by the Telephone Company Access Tandems.

TIPToP service also allows TIPToP Customers to connect traffic from Telephone Company End Users or Off Net End Users to IP-VIS Users. The Telephone Company's existing network architecture is utilized to connect this traffic to TIPToP port interfaces.

TIPToP service provides a Time Division Multiplexed (TDM) port interface, including one-way or two-way port interfaces to originate and terminate traffic between TIPToP Customers and Telephone Company End Users and Off Net End Users.

TIPToP one-way port interfaces terminates traffic that originates from the TIPToP Customer's IP-VIS User to Telephone Company End Users which is considered IP-VIS On Net traffic. Traffic that originates from the TIPToP Customer's IP-VIS User and terminates to Off Net End Users as defined in Section 2.6, is considered IP-VIS Off Net traffic.

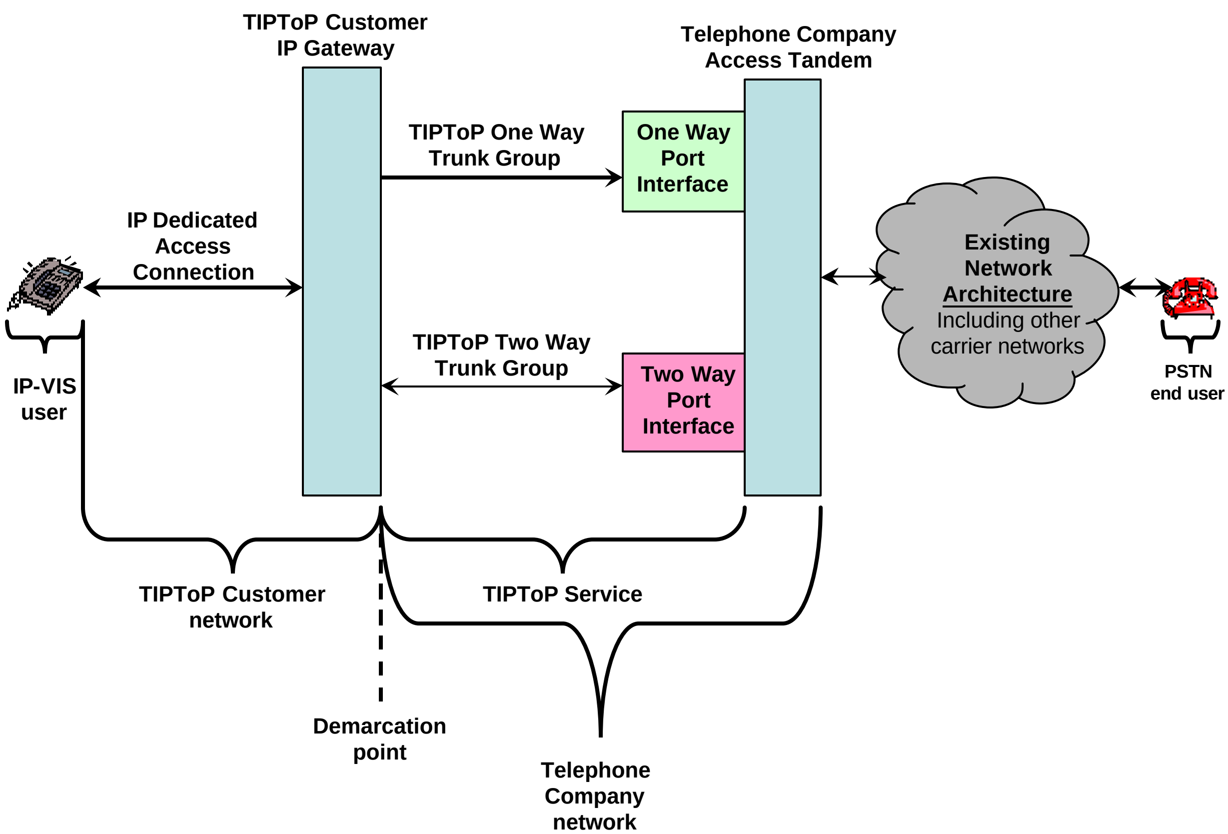
TIPToP two-way port interfaces terminates traffic that originates from Telephone Company End Users or Off Net End Users to TIPToP Customers. When traffic is originated from or terminated to the TIPToP Customer, the TIPToP Customer is responsible for completion of the traffic and connections between the demarcation point of the TIPToP service and the IP-VIS User. In addition, 8XX and toll traffic that is presubscribed to Interexchange Carriers (1+ PIC'd) originating from IP-VIS Users is routed via the two-way port interfaces to the Telephone Company Access Tandem for completion to the appropriate carrier. (N)

24. True IP To PSTN (TIPToP) Service (Cont'd) (N)

24.1 Service Description (Cont'd)

(A) Basic Service Description (Cont'd)

A diagram of the service connectivity is provided below.



(N)

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24. True IP To PSTN (TIPToP) Service (Cont'd) (N)

24.1 Service Description (Cont'd)

(B) Service Provisioning

(1) Manner of Provisioning

(a) Originating IP-VIS Traffic to the PSTN

For originating IP-VIS traffic to the PSTN, TIPToP service is provisioned as a Time Division Multiplexed (TDM) port interface for TIPToP Customers to connect to the Telephone Company switched network, specifically for traffic that originates from IP-VIS Users and that generates IP-VIS traffic on the TIPToP Customer's network. TIPToP service begins at the TIPToP Customer's IP gateway once the IP-VIS traffic is converted to TDM format by the TIPToP Customer. Originating IP-VIS traffic travels on one-way or two-way port interfaces, as defined in this section. Traffic originating from an IP-VIS User is defined as IP-VIS traffic only when it meets both of the following requirements:

1) Traffic must be originated by an IP-VIS User at the IP-VIS User site.

2) Traffic must be transported from that IP-VIS User's Site to the TIPToP Customer using a IP Dedicated Access Connection, and such traffic must remain in IP format from the IP-VIS User Site to the TIPToP Customer's IP Gateway.

(b) Originating PSTN Traffic to the IP-VIS User.

For PSTN traffic that originates from a PSTN user to the IP-VIS User, TIPToP service is provisioned as a Time Division Multiplexed (TDM) port interface. The port interface enables TIPToP Customers to connect to the Telephone Company switched network only for IP-VIS traffic that terminates to IP-VIS Users on the TIPToP Customer's network. Traffic originating from the PSTN and terminating as IP-VIS traffic travels only on two-way port interfaces as defined in Section 24.1(B)(1)(f). Traffic terminating to IP-VIS Users is defined as IP-VIS traffic only when it meets both of the following requirements: (N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd) (T)

(1) Manner of Provisioning (Cont'd) (T)

(b) Originating PSTN Traffic to the IP-VIS User(Cont'd)

1) Traffic must originate at a Telephone Company End User or Off Net End User and must travel through the TIPToP TDM Port Interface to the TIPToP Customer's IP Gateway. At the IP Gateway, the traffic must be converted to Internet Protocol and remain in Internet Protocol until it reaches the IP-VIS User Site.

2) Traffic delivered to the TIPToP Customer's IP Gateway must be routed from the IP Gateway to the IP-VIS User site of the IP-VIS User using an IP Network

(c) Non IP-VIS Traffic

Non IP-VIS traffic is not permitted on TIPToP port interfaces. TIPToP Customers must remove any Non IP-VIS traffic from TIPToP connections per the terms described in Section 24.1(C) following.

Non IP-VIS traffic that occurs on TIPToP port interfaces is billed a Non IP-VIS Minute of Use rate as described in Section 24.3 Rates and Charges.

(d) Utilization of Telephone Numbers

The Telephone Company routes calls to the TIPToP Customer following routing instructions contained in the Local Exchange Routing Guide (LERG) system. These routing instructions are based on valid telephone numbers, as defined in the North American Numbering Plan. Telephone numbers are required to be unique for each IP-VIS User and be dialable numbers that reach the IP-VIS User when dialed.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd) (T)

(1) Manner of Provisioning (Cont'd)

(e) One-Way Port Interface

(1) TIPToP service provides one-way port interfaces to the Telephone Company Access Tandem, or end office where applicable, that terminate IP-VIS traffic originated by IP-VIS Users on the TIPToP Customer's Network to the Telephone Company's End Users or Off Net End Users, with the exception of 8XX traffic or toll traffic that is presubscribed to Interexchange Carriers (1+ PIC'd), as described in 24.1 (B)(1)(f)(1).

(2) CHOKE Trunks

Choke trunks, designed to block excessive calling attempts toward High Volume Call In (HVCI)/Mass Calling NXXs are required as part of TIPToP service.

Within each serving area where the TIPToP Customer has IP-VIS Users, the choke trunks are required on TIPToP one-way port interfaces connected to the designated Public Response HVCI/Mass Calling Network Access Tandem. If the choke tandem is the same as the access tandem, choke trunks can be allocated as part of the LATA Wide TIPToP architecture. If the choke tandem is not the same as the access tandem, the TIPToP Customer must purchase additional TIPToP one-way port interfaces to the choke tandem and allocate these interfaces for the choke trunks. When one-way port interfaces must be purchased to the choke tandem, the required quantity must match the choke trunk quantity as listed below.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd) (T)

(1) Manner of Provisioning (Cont'd)

(e) One-Way Port Interface (Cont'd)

(2) CHOKE Trunks (Cont'd)

Choke trunks shall utilize Multi Frequency (MF) signaling. If the TIPToP Customer's switch or IP Gateway is technically incapable of producing MF signaling as documented by the switch or IP Gateway vendor, the choke trunks shall utilize SS7 signaling.

The HVCI/Mass Calling (Choke) Trunks must be purchased in the following increments:

Number of Access Lines Served	Number of Mass Calling Choke Trunk
0 – 10,000	2
10,001 – 20,000	3
20,001 – 30,000	4
30,001 – 40,000	5
40,001 – 50,000	6
50,001 – 60,000	7
60,001 – 75,000	8
75,000 +	9 maximum

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(T)

(B) Service Provisioning (Cont'd)

(1) Manner of Provisioning (Cont'd)

(f) Two-Way Port Interface

(1) TIPToP service also provides two-way port interfaces to the Telephone Company Access Tandem that are used by TIPToP Customers to receive calls for IP-VIS Users from Telephone Company and Off Net End Users. TIPToP Customers are not permitted to use two-way port interfaces for traffic that should travel on a one-way port interface, as described in this section.

In addition, two-way port interfaces provide the TIPToP Customer with the ability to send non-queried 8XX (toll free traffic) and 1+ PIC'd IP-VIS traffic originating from IP-VIS Users to the Telephone Company network for completion to IXC networks. 8XX and 1+PIC'd traffic using TIPToP services must originate from IP-VIS Users using IP Dedicated Access Connections as described herein to qualify as IP-VIS On Net traffic.

Traffic originating from the IP-VIS User that is not 8XX and 1+ PIC'd is not permitted on the two-way port interface, and the Telephone Company may block such traffic where technically feasible. Traffic not permitted on two-way port interfaces that the Telephone Company does not block, or is not able to block, will be billed as Non IP-VIS traffic.

When 8XX traffic dialed by the IP-VIS User is sent to the Telephone Company by the TIPToP Customer, the Telephone Company will query the 800 database and complete the call to the IXC or to a 10-digit routable number based on the response that it receives from the 800 database for calls originating from that specific Telephone Company Access Tandem processing the call.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(T)

(B) Service Provisioning (Cont'd)

(1) Manner of Provisioning (Cont'd)

(g) TIPToP port interfaces are separate trunk groups from all other types of trunk groups within the Telephone Company Network and may only be used as part of the TIPToP service (one-way and two-way port interfaces).

(h) TIPToP services must be purchased as follows:

(1) TIPToP one-way port interfaces are required at every Telephone Company Access Tandem in the LATA in which the TIPToP Customer has:

- IP-VIS Users
- NPA-NXXs, or
- Telephone Numbers

In any other situation that the TIPToP Customer chooses to purchase one-way port interfaces in a LATA, the TIPToP Customer must purchase one-way port interfaces to every Telephone Company Access Tandem in that LATA.

(2) TIPToP two-way port interfaces are required to every Telephone Company Access Tandem serving the Exchange in which the TIPToP Customer has IP-VIS Users or an NPA-NXX(s) or telephone numbers.

Each TIPToP port interface (one-way or two-way) is equivalent to the bandwidth of one DS0. At a minimum, the TIPToP Customer must configure six (6) TIPToP one-way port interfaces or six (6) TIPToP two-way port interfaces for each DS1 at the Telephone Company Access Tandem or End Office. If additional DS1s or larger facilities are used for TIPToP service, the TIPToP Customer is required to purchase at a minimum six (6) port interfaces (one-way or two-way) to be allocated on each DS1 facility installed.

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd)

(1) Manner of Provisioning (Cont'd)

(h) (Cont'd)

When the choke tandem is the same as the access tandem, choke trunks are available as part of the TIPToP architecture. In cases when the choke tandem is not the same as the access tandem, the TIPToP Customer must purchase and allocate port interfaces for use with choke trunks directly to the choke tandems as described in Section 24.1(B)(1)(e) preceding.

The TIPToP Customer will not receive any other component or sub component of TIPToP service in any access tandem, end office switch, or any other Telephone Company switch, or other PSTN switches subtending Telephone Company tandems, or in any LATA in which the customer does not have TIPToP port interfaces installed as described above.

(i) Any conversion from other Telephone Company services to TIPToP service requires a new order for service and new installations for TIPToP services.

(j) In LATAs where TIPToP service is purchased by the TIPToP Customer, the TIPToP Customer is required to utilize TIPToP service and connections for all traffic between all of its IP-VIS Users and Telephone Company End Users and Off Net End Users subtending the Telephone Company Access Tandems within the LATA.

The TIPToP Customer will be allowed six (6) months to migrate all IP-VIS traffic in a LATA to TIPToP port interfaces per the terms of this tariff. The six (6) months will be counted from the date the first TIPToP port interface is installed in the LATA. If additional TIPToP service elements are required to match the TIPToP architecture, these elements must be ordered within 90 days of the initial order date.

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd) (N)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd)

(1) Manner of Provisioning (Cont'd)

(k) If more than 50% of the traffic on any one-way port interface physically originates in one exchange and terminates in another exchange in the same state (as measured based on originating and terminating NPA/NXXs from the call detail) then a Non IP-VIS rate is applied to all traffic in the LATA for the bill period in which the percentage exceeded 50%.

This traffic will be classified as Non IP-VIS traffic and is billed under this section at the applicable Non IP-VIS On Net rate or Non IP-VIS Off Net rate and subject to the terms in 24.1 (C)(9) following.

(l) TIPToP service requires TIPToP Customers to send accurate Calling Party Number (CPN) to the Telephone Company with each call in order to qualify for TIPToP IP-VIS rates. Calls must provide an accurate CPN to qualify as IP-VIS traffic and to be rated at the applicable IP-VIS rates in this tariff. Accurate CPN is:

- CPN that is a dialable working telephone number, that when dialed, will reach the IP-VIS User to whom it is assigned, at that IP-VIS User's IP-VIS User Site and use the Internet Protocol Network at the IP-VIS User Site to reach the IP-VIS User.
- CPN that has not been altered.
- CPN that is not a charge party number.
- CPN that follows the North American Numbering Standard and can be identified in numbering databases and the LERG as an active number.
- CPN that is assigned to an active IP-VIS User.

Calls sent without an accurate CPN, or sent without a CPN, will be classified as Non IP-VIS traffic and will be rated at the applicable On Net or Off Net Non IP-VIS rates and subject to the terms in 24.1 (C)(9) following. (N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd)

(1) Manner of Provisioning (Cont'd)

(m) The TIPToP Customer must prevent any external party, other than legally authorized agencies, from accessing private CPN that is sent to the TIPToP Customer. The TIPToP Customer must implement procedures to restrict internal access to private CPN, and that all records of private CPN are destroyed after a reasonable period of time. Any lawful request from law enforcement to obtain call trace logs must be honored by the TIPToP Customer.

(n) Acceptance Tests are tests that are performed during the installation of TIPToP service. These tests are cooperative tests between the Telephone Company and the TIPToP Customer and they are performed before the first live traffic can be placed in the TIPToP service. There is no charge for Acceptance Testing.

(o) Traffic Volume

(1) One-way Port Interface - when a TIPToP Customer's traffic increases to the bandwidth equivalent of 48 DS0s to any one end office, the TIPToP Customer is required to purchase direct one-way port interfaces for use with TIPToP service to that end office, as described in Section 24.3 rate and charges. (T)

(2) Two-way Port Interface - when a TIPToP Customer's traffic is equal to or greater than a bandwidth equivalent of 48 DS0s between an existing two-way port interface and an access tandem without direct two-way port interfaces from the TIPToP Customer, the customer must purchase two-way port interfaces to that access tandem. (T)

(2) Limitations

(a) TIPToP service does not include Alternate Billed Services (ABS). ABS includes, but is not limited to, Collect Calling, Third Party Billed Calls, Calling Card calls, Phone Card calls, or Credit Card calls billed to telephone numbers assigned to the IP-VIS User of the TIPToP Customer or the TIPToP Customer.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(B) Service Provisioning (Cont'd)

(2) Limitations (Cont'd)

(b) Specific to traffic sent to a TIPToP Customer over the TIPToP port interface, TIPToP Service is not available where the Telephone Company is required to pay reciprocal compensation, access charges, meet point billing charges, transit charges, or any other fees.

(3) Emergency 911 Service

Emergency 911 Service is not available with TIPToP Service purchased under this tariff.

(4) SPNP Service Charge (M)

When the TIPToP Customer purchases a TIPToP One-Way Port Interface the Telephone Company will provide Service Provider Number Portability (SPNP) Query Service under the rates and terms as set forth in Section 19. (M)

(C) Customer Obligations

(1) The TIPToP Customer must obtain a unique Operating Company Number (OCN) for use in states where TIPToP service is requested. TIPToP Customers cannot use an OCN for TIPToP services if this same OCN is being used in conjunction with another service.

(2) The TIPToP Customer must provide a minimum of one unique Local Routing Number (LRN) per LATA in which TIPToP service is requested. TIPToP Customers cannot use an LRN for TIPToP services if the number is being used in conjunction with another service.

(3) TIPToP Customer must obtain their own phone numbers from industry sources that follow the North American Numbering Plan for use with TIPToP service.

Material appearing on this page formerly appeared on Original page 24-17 of Tariff FCC No. 1.

Material previously appearing on this page now appears on 1st Revised Page 24-14 of Tariff FCC No. 1.

(This page filed under Transmittal No. 111)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.1 Service Description (Cont'd)

(C) Customer Obligations (Cont'd)

(4) The TIPToP Customer must have at least one IP-VIS Dedicated Location in each LATA in which they use TIPToP service. (M)

(5) The TIPToP Customer must route the 8XX and 1+ PIC'd calls to a tandem associated with the CPN of the originating number as designated by the LERG. (M)

(6) The TIPToP Customer must send the appropriate routing and call information to the Telephone Company as is described in Technical Publications GR-317-CORE and GR-394-CORE.

(7) The TIPToP Customer must provide SS7 Point Codes for each connected IP gateway.

(8) TIPToP Customers must use SS7 signaling to each Access Tandem in the LATA in which TIPToP service is desired. The TIPToP Customer must also adhere to the requirements and limitations that Telephone Company sets forth regarding SS7 signaling and call setup as defined in Section 6. The TIPToP Customer is responsible for all the misrouting or blocking of any and all traffic that results from messages, which do not comply with Section 6, sent over SS7 by the TIPToP Customer.

(9) The TIPToP Customer must remove all Non IP-VIS traffic within 60 days of any notice, including but not limited to the TIPToP Customer's bill, from the Telephone Company.

(10) The TIPToP Customer or TIPToP Customer's agent must set the Collect and Third Party Billing Acceptance indicator to deny collect, third party or any other Alternate Billed Services. In the event the TIPToP Customer's user is associated with an Alternately Bill Call, the TIPToP Customer is charged the Non IP-VIS off-net rate.

(11) While Alternately Billed Services (ABS) calls are not provided by TIPToP should ABS calls occur and be processed by the Telephone Company Network for IP-VIS end users of the TIPToP Customer, or for the TIPToP Customer, the TIPToP Customer will pay all ABS charges from the Telephone Company for these services and will make appropriate changes within 60 days of the bill to prevent future ABS calls by the TIPToP Customer's IP-VIS User from being processed.

Material appearing on this page formerly appeared on Original Page 24-13.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations

(A) Rate Elements

The following provides a list of the various rate elements for TIPToP service.

One-way Port Interface
Two-way Port Interface
TIPToP IP-VIS USAGE
TIPToP Non IP-VIS USAGE
Non-recurring Charge
Service Establishment Fee (D)
Service Management Charge

(1) ONE-WAY PORT INTERFACE - TIPToP one-way port interfaces provide a one-way trunk group to permit originating IP-VIS traffic(excluding 8XX and 1+ PIC'd) from TIPToP Customer's IP-VIS Users to Telephone Company and Off Net End Users subtending the Access Tandem in which the port interface is installed. The monthly recurring charge and non-recurring charge for the TIPToP one-way port (T) interface rate elements includes the following service components necessary to terminate IP-VIS traffic originated from IP-VIS users on the TIPToP Customer's Network in a specific LATA to the Telephone Company's Access Tandem(s) or End Office(s) in that same LATA (where the port interface is installed): (T)

(a) Transport (N)
(b) Trunks
(c) Trunk ports
(d) Choke trunks
(e) The following associated signaling components, as described in Section 6:

(i) SS7 Signaling Connection
(ii) SS7 Link
(iii) Signal Transfer Point (STP)
(iv) SS7 Port
(v) SS7 Signaling Call Set Up Messages (ISUP Signaling) on TIPToP Port Interfaces. (N)

Material previously appearing on this page now appears on Original Page 24-15.1 of FCC No. 1.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(1) ONE-WAY PORT INTERFACE (Cont'd)

(f) One-way port interfaces are billed a monthly recurring rate and provided on a distance sensitive basis in one of four mileage bands. The mileage bands for One-way Port Interfaces are as follows: (M)

Mileage band 1 0 to 25 miles
Mileage band 2 26 to 50 miles
Mileage band 3 51 to 100 miles
Mileage band 4 101 or more miles

(g) Mileage is measured from the TIPToP Customer's IP-VIS Dedicated Location to the Access Tandem or End Office in which service is being ordered. (M)

Material appearing on this page formerly appeared on Original Page 24-15 of Tariff FCC No. 1.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(2) TWO-WAY PORT INTERFACE – TIPToP two-way port interfaces provide a two-way trunk group(s) to permit all traffic from Telephone Company and other PSTN traffic to IP-VIS Users. The monthly recurring charge and non-recurring charge for the TIPToP two-way port interface rate elements includes the following service components necessary for the IP-VIS Users of the TIPToP Customer to receive calls in a specific LATA that originate from or pass through the Telephone Company's Access Tandem(s), or End Office(s) in that same LATA (where the port interface is installed): (T)

(a) Transport (N)
(b) Trunks
(c) Trunk ports
(d) The following associated signaling components, as described in Section 6:

(i) SS7 Signaling Connection
(ii) SS7 Link
(iii) Signal Transfer Point (STP)
(iv) SS7 Port
(v) SS7 Signaling Call Set Up Messages (ISUP Signaling) on TIPToP Port Interfaces. (N)

(e) Two-way port interfaces are billed a monthly recurring rate and provided on a distance sensitive basis in one of four mileage bands. The mileage bands for Two-way Port Interfaces are as follows: (T)

Mileage band 1	0 to 25 miles
Mileage band 2	26 to 50 miles
Mileage band 3	51 to 100 miles
Mileage band 4	101 or more miles

(f) Mileage is measured from the TIPToP Customer's IP-VIS Dedicated Location to the Access Tandem or End Office in which service is being ordered. (T)

Material previously appearing on this page now appears on Original Page 24-16.1 of Tariff FCC No. 1.

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24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(3) TIPToP IP-VIS USAGE - A Minute of Use (MOU) charge is applied to IP-VIS traffic using TIPToP Port Interfaces and originating from IP-VIS Users terminating traffic to Telephone Company or Off Net End Users. (M)

(a) IP-VIS On Net Usage - is a MOU charge for IP-VIS On Net Traffic.

(b) IP-VIS Off Net Usage – is a MOU charge for IP-VIS Off Net Traffic. (M)

Material appearing on this page formerly appeared on 1st Revised Page 24-16 of Tariff FCC No. 1.

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd

(4) TIPToP Non IP-VIS USAGE - A Minute of Use (MOU) charge is applied to Non IP-VIS traffic using TIPToP Port Interfaces between IP-VIS User and Telephone Company or Off Net End Users.

(a) Non IP-VIS On Net Usage – is a MOU charge for Non IP-VIS On Net Traffic.

(b) Non IP-VIS Off Net Usage

(1) On the One-way Port Interface: A MOU charge for Non IP-VIS Off Net Traffic.

(2) On the Two-way Port Interface: A MOU charge for traffic that is not 8XX or 1+ PIC'd traffic originating from the TIPToP Customer and terminating to Telephone Company End Users, or non-Telephone Company End Users using the TIPToP Access Tandem.

(5) Non-recurring Charges – one-time charges apply for the installation of one-way or two-way TDM port interfaces as defined in Section 24.2 of this tariff.

(6) Service Establishment Fee - A one time Service Establishment Fee is assessed each time the TIPToP Customer establishes the first TIPToP service connection within a specific LATA. (T)

(7) Service Management Charge - Every TIPToP Customer is charged a recurring charge per month per LATA in which service is activated. (T)

Material previously appearing on this page now appears on 1st Revised Page 24-13 of Tariff FCC No. 1.

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(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP)

(1) General Description

The TIPToP Term Volume Discount Plan (TVDP) provides the TIPToP Customer with optional term and volume discounts (as shown in Section 24.2(B)(8), below), off the existing monthly recurring and non-recurring rates for Month to Month service in effect during the term of the TVDP (as referenced in Section 24.3, following) for TIPToP One-Way and Two-Way Port Interfaces.

The Month to Month rates and the terms and conditions for Port Interfaces in this tariff may be modified through the filing of tariff changes at any time during the Term Period. If Month to Month rates change during the Term Period, the discounts associated with the Customer's TIPToP Term and Volume Plan will be applied against the new Month to Month rates in effect after the change.

However, such tariff modifications will not change the commitment level and discount levels in the Customer's TDVP during the Term Period.

(2) Terms and Conditions

The TIPToP TVDP requires the TIPToP Customer to commit to either a 1, 2 or 3-year Term Period (Term Period). The first year of the Term Period commences on the start date. The start date is defined as the date on which the Telephone Company receives an order from the Customer, as described in Section 5. Each subsequent year of a multi-year TVDP begins on the annual anniversary date of the start date of the TVDP. Each year within the Term Period will be referred to as a Term Year. For example, a 3-year Term Period will have a First Term Year, a Second Term Year and a Third Term Year.

TIPToP TVDP discounts will only apply to billed charges that are paid by the Customer, excluding charges in dispute. If the Customer fails to pay charges for TIPToP service, TIPToP Term and Volume discounts are forfeited on those unpaid charges.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(2) Terms and Conditions (Cont'd)

The TIPToP TVDP also requires the TIPToP Customer to choose a monthly Port Interface Commitment Level (volume commitment or Port Interface Commitment). The TIPToP Customer's fulfillment of the volume commitment is measured using an annual calculation for each Term Year. In cases when the TIPToP Customer does not meet the Port Interface Commitment for any Term Year during the Term Period, the TIPToP Customer will be billed Shortfall Liability Charges according to Section 24.2(B)(3), following.

(3) Shortfall Liability Charges

(a) A calculation is performed annually at each anniversary date during the Term Period and at the end of the Term Period to determine if the Customer is liable for Shortfall Liability Charges.

(b) For purposes of the Shortfall Liability calculation, the term "In Service" is defined as an installed, working service, billed by the Telephone Company, and paid for by the Customer for the entire month being measured. The number of Port Interfaces In Service is determined for each month of the Term Year being measured. For purposes of Shortfall calculations, the total number of In Service Port Interfaces at the end of each month will be added together to determine the "In Service Total" for the year. Port Interfaces in service for only a part of a month are not counted towards the In Service Total.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(3) Shortfall Liability Charges (Cont'd)

(c) If the In Service Monthly Average is below the Customer's annual Port Interface Commitment level for a specific Term Year, then Shortfall Liability Charges are due. If the In Service Total is equal to or greater than the Customer's annual Port Interface Commitment level in a specific Term Year, then no Shortfall Liability Charges are due.

(d) Example: A Customer has 200 Port Interfaces In Service for 5 months and 300 Port Interfaces In Service for 7 months. 5 months times 200 Port Interfaces, plus 7 months times 300 Port Interfaces equals 3,100 Port Interfaces. Therefore, the Customer had 3,100 Port Interfaces In Service Total for the year. In this example, if this Customer committed to a 241 Port Interface Commitment level, they would have no Shortfall Liability. The In Service Total of 3,100 Port Interfaces is greater than the annual Port Interface Commitment of 2,892 (241 Port Interfaces per month x 12 months).

In this same example, if the Customer had committed to a 1,201 monthly Port Interface Commitment level, then Shortfall Liability Charges would be due. The In Service Total of 3,100 is less than the annual Port Interface Commitment of 14,412 (1,201 Port Interfaces per month x 12 months).

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(3) Shortfall Liability Charges (Cont'd)

(e) When the calculation in the preceding Section is performed and it is determined that a Customer is liable for Shortfall Liability Charges, another calculation will be performed to determine the amount of the Shortfall Liability Charges due. This calculation will use the In Service Totals for the Term Year from the calculation performed according to Section 24.2(B)(3)(b), preceding. An Average Monthly Rate Charged per Port Interface for the Term Year will need to be calculated due to the different Mileage Bands a Port Interface may have, as shown in Section 24.3(A). The Average Monthly Rate Charged per Port Interface will be calculated by dividing the total amount billed for Port Interfaces (without considering the effect of any credits) for the total year by the In Service Total for the Term Year. When the Customer's TIPToP TVDP is terminated, Termination Charges will be calculated pursuant to Section 24.2 (B)(5), following. If Pro-Rated Shortfall Liability Charges are due, then Pro-Rated Shortfall Liability Charges will be calculated pursuant to Section 24.2(B)(4)(a), following.

(f) Using the Average Monthly Rate Charged per Port Interface for the Term Year, the following methodology will be used to calculate the Shortfall Liability Charges due:

Customer's Port Interface Commitment (Monthly)	**X**	12 Months	-	Customer's In Service Total for the Year	**X**	Average Monthly Rate Charged pr Port Interface for the Term Year	**=**	Shortfall Liability

(N)

(This page filed under Transmittal No. 129)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(3) Shortfall Liability Charges (Cont'd)

(g) In cases when this calculation produces a negative number no Shortfall Liability is due, nor is any credit due to the Customer.

(h) Bills for Shortfall Liability Charges are rendered following the anniversary date of the TVDP. For situations involving a Pro-Rated Shortfall Liability, as described below, the charges will be billed within 90 days of the termination date of the Customer's TVDP.

Shortfall Liability Calculation Example:

The TIPToP Customer has finished the second year of a 3-year Term Period with a commitment level of 241 Port Interfaces per month. The TIPToP Customer had 200 ports in service for 6 months, and 250 ports in service for 6 months over the previous 12 months. The amount billed to and paid by the TIPToP Customer during the Term Year for the 2,700 Port Interfaces was $54,000.

Step 1. Determine the In Service Total of Port Interfaces for the Term Year. (200 x 6) + (250 x 6) = 2,700 Port Interfaces In Service Total for the Term Year.

Step 2. Determine the annual Port Interface Commitment level for the Term Year. 214 Port Interfaces per month x 12 months = 2,892 Port Interfaces for the Term Year. Since 2,700 In Service Total is less than the Customer's annual commitment of 2,892 Port Interfaces,, Shortfall Liability Charges must be calculated.

Step 3. Determine the Average Monthly Rate charged per Port Interface for the Term Year by dividing the amount billed for the Term Year by the In Service Total for the Term Year. $54,000 divided by 2700 In Service Total for the Term Year = an Average Monthly Rate Charged per Port Interface for the Term Year of $20.00.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(3) Shortfall Liability Charges (Cont'd)

Shortfall Liability Calculation Example: (Cont'd)

Step 4. Determine the Shortfall Liability by subtracting the annual Port Interface Commitment Level, as calculated in Step 2, from the Customer's In Service Total, as calculated in Step 1 (2,892 – 2,700 = 192). The TIPToP Customer would have a Shortfall Liability for 192 Port Interfaces for the Term Year.

Step 5. Determine a revenue amount associated with the Shortfall Liability by multiplying the number of Port Interfaces by which the Customer fell short of the annual Port Interface Commitment Level, as calculated in Step 4, by the Average Monthly Rate Charged per Port Interface for the Term Year, as calculated in Step 3 (192 Port Interface shortfall x $20.00 Average Monthly Rate charged = $$3,840).

(4) Pro-Rated Shortfall Liability Charges

(a) When the Customer's TVDP is terminated prior to the end of the Term Period and between anniversary dates of the TVDP, a Pro-Rated Shortfall Liability calculation will be performed for the number of months from the last anniversary date of the Customer's Term Period to the termination date of the TVDP.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(4) Pro-Rated Shortfall Liability Charges (Cont'd)

(b) For purposes of the Pro-Rated Shortfall Liability calculation, the term "In Service" is defined as an installed, working service, billed by the Telephone Company and paid for by the Customer, for the entire month being measured. The number of Port Interfaces In Service is determined for each full month of the partial Term Year in which the Customer had service ("In Service Total"). The number of months used in this pro-rated calculation is the number of full months measured from the last anniversary date of the Customer's Term Period to the last full month of service prior to the termination date of the Customer's TIPToP TVDP (the "Pro-Rated Period"). Port Interfaces in service for only part of a month are not counted towards the In Service Total. The In Service Totals for each full month of the Pro-Rated Period are added together.

(c) A Pro-Rated annual Port Interface Commitment will be calculated to determine whether Shortfall Liability Charges are due. This Pro-Rated annual Port Interface Commitment Level will be determined by multiplying the Customer's monthly Port Interface Commitment Level by the Pro-Rated Period, as determined in Section 24.2(B)(4)(b), preceding. If the Pro-Rated In Service total is below the Customer's Pro-Rated annual Port Interface Commitment Level for the Term Year in which the Pro-Rated Period falls, then Pro-Rated Shortfall Liability Charges are due. If the Pro-Rated In Service Total is at, or above, the Customer's Pro-Rated annual Port Interface Commitment Level in the Term Year in which the Pro-Rated Period falls, then no Pro-Rated Shortfall Liability Charges are due. (N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(4) Pro-Rated Shortfall Liability Charges (Cont'd)

(d) When the calculation in the preceding Section is performed and it is determined that a Customer is liable for Pro-Rated Shortfall Liability Charges, another calculation is performed to determine the amount of the Pro-Rated Shortfall Liability Charges due. This calculation will use the In Service Totals of the Pro-Rated Period. An Average Monthly Rate charged per Port Interface for the Pro-Rated Period will need to be calculated due to the different Mileage Bands a Port Interface may have, as shown in Section 24.3(A). The Average Monthly Rate for the Pro-Rated Period will be calculated by dividing the amount billed for Port Interfaces (without considering the effect of any credits) for the full months the Customer had service during the Pro-Rated Period, by the In Service Total for the Pro-Rated Period.

(e) Using the Average Monthly Rate charged per Port Interface for the Pro-Rated Period, the following methodology will be used to calculate the Pro-Rated Shortfall Liability Charges due:

Customer's Monthly Port Commitment for the Term Year in which the Pro-Rated Period Falls	**X**	Number of Full Months the Customer had Service During the Pro-Rated Period	**-**	In Service Total of Port Interfaces for the Pro-Rated Period	**X**	Average Monthly Rate Charged per Port Interface for the Pro-Rated Period	**=**	Pro-Rated Shortfall Liability

(N)

ACCESS SERVICE

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(4) Pro-Rated Shortfall Liability Charges (Cont'd)

(f) In cases when this calculation produces a negative number, no Pro-Rated Shortfall Liability is due, nor is any credit due to the Customer.

(5) Termination Liability

(a) Customers may terminate a TIPToP TVDP by giving 30 days written notice to the Telephone Company of the Customer's intention to terminate the TVDP prior to the expiration of the Term Period.

(b) The Telephone Company may terminate a TIPToP TVDP when the Customer has any period of three consecutive months when the TIPToP Customer has an In Service Total of Port Interfaces less than 50% of the monthly Port Interface Commitment Level.

(c) The total number of Port Interfaces In Service is determined for each month of the Term Year, or partial Term Year, being measured. The total of all In Service Port Interfaces for a month will be referenced as the In Service Total. Port Interfaces in service for only a part of a month are not counted in the In Service Total.

(d) When the TIPToP Customer terminates a TIPToP TVDP, or the Telephone Company terminates a TIPToP TVDP prior to completion of the Term Period of the TIPToP TVDP, Termination Liability Charges will be assessed and billed pursuant to this Section. For purposes of this calculation, the Customer's termination date is the earliest date of either the Customer's requested termination date or the last date on which the Customer had TIPToP Port Interfaces In Service.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(5) Termination Liability (Cont'd)

(e) In some cases, it is possible for both Shortfall Liability Charges and Termination Liability Charges to be due at the same time. In those instances, the Shortfall Liability calculation is performed prior to a Termination Liability Charge calculation. When the Customer terminates service between anniversary dates of the TVDP Term Period, a Pro-Rated Shortfall Liability calculation is performed before the Termination Liability calculation is performed.

(f) Termination Liability Charges are calculated using the Average Monthly Rate charged per Port Interface for the previous 12 months. The Average Monthly Rate charged per Port Interface is calculated by dividing the amount billed for Port Interfaces (without considering the effect of any credits) for the previous 12 months, by the In Service Total Port Interfaces for the previous 12 months (the In Service Total is calculated as detailed in Section 24.2(B)(5)(c), preceding).

(g) In cases when the Customer terminates a TVDP within the first 12 months of the Term Period, the Monthly Rate charged per Port Interface will be calculated by dividing the amount billed for Port Interfaces, for the time from the first day of the Term Period to the last full month of service prior to the termination date, by the Port Interface In Service Total for the same period of full months.

(h) Using the Average Monthly Rate charged per Port Interface (as described in Section 24.2(B)(5)(f), preceding), the following methodology will be used to calculate the Termination Liability Charges due:

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(5) Termination Liability (Cont'd)

Avg. Monthly Rate Charged per Port Interface		Customer's Average Monthly Port Commitment		Remaining Months in Term Period		Termination Percentage of 75%		Termination Liability Charge
	X		**X**		**X**		**=**	

Example: The TIPToP Customer wishes to terminate a 36-month commitment with 241 ports after having service in place for 30 months. Over the previous 12 months, the TIPToP Customer had a quantity of Port Interfaces In Service of 200 for 9 months and 250 for the remaining 3 months.

Step 1. Determine the In Service Total number of Port Interfaces for the previous 12-month period. 9 months times 200 Port Interfaces, plus 3 months times 250 Port Interfaces equals 2,550 In Service Total of Port Interfaces for the previous 12-month period.

Step 2. Identify the annual amount billed for these Port Interfaces. If the TIPToP Customer was billed $4,000 per month for the 200 ports, and $5,000 per month for the 250 ports then the annual revenue for these ports is $51,000 ($4,000 x 9 months plus $5,000 x 3 months = $51,000).

Step 3. Determine the Average Monthly Rate per Port Interface for the previous 12 months by dividing the revenue billed for the previous 12-month period by the In Service Total for the previous 12-month period ($51,000/2,550 ports = $20.00 per port for this example).

Step 4. Identify the TIPToP Customer's monthly Port Interface Commitment Level. In this example, the monthly Port Interface Commitment Level is 241 ports.

Step 5. Determine the remaining months in the Term Period. The TIPToP Customer in this example terminated a 36-month commitment at 30 months, leaving 6 months remaining in the term.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(5) Termination Liability (Cont'd)

Step 6. Multiply the Average Monthly Rate charged per Port Interface for the previous 12 months by the Customer's monthly Commitment Level, by the remaining months in the Term Period by 75% to receive the total Termination Liability Charges. In this example, $20 Average Monthly Rate per port x 241 Port Interface Commitment Level x 6 months remaining x 75% = $21,690 Termination Liability.

(i) Exceptions to Termination Liability

TIPToP TVDP Customers may terminate TVDP service without incurring Termination Liability Charges when the TIPToP Customer converts an existing TIPToP TVDP commitment to a new TVDP commitment of either:

(1) A longer term with the same volume commitment,
(2) A larger volume commitment with the same Term Period as the existing Term Period, or
(3) A larger volume commitment with longer term.

If TIPToP service or TIPToP TVDP is no longer available at the time at which a Customer attempts to convert an existing TIPToP TVDP to a new TVDP commitment, then conversion will not be permitted, and the Customer's TIPToP TVDP in existence at that time will not be provided with an exception to Termination Liability.

If the TIPToP Customer has not paid billed amounts due to the Telephone Company, conversion of an existing TIPToP TVDP to a new TVDP commitment will not be permitted, and an exception to the Termination Liability for an existing TVDP is not available. The Customer may resolve this failure to pay and qualify for a conversion of the TIPToP TVDP by paying past due TIPToP amounts, and remaining current for three full consecutive billing months.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan TVDP) (Cont'd)

(6) TIPToP TVDP Renewals

If TIPToP TVDP is available at the time at which the Customer desires to renew a TIPToP TVDP, the TIPToP Customer may renew a TVDP, effective on the expiration date of the original TVDP Term Period, only under the prevailing rates and terms in effect at the time of the renewal.

A renewal of TIPToP TVDP will not be permitted if the TIPToP Customer has not paid billed amounts due the Telephone Company. The Customer may resolve this failure to pay and qualify for a renewal of the TIPToP TVDP by paying past due amounts, and remaining current for a period of three full consecutive billing months.

A renewal of a TVDP requires a new order no earlier than 6 months prior to the expiration of the current TVDP Term Period, and no later than 30 days prior to the expiration of the current TVDP Term Period.

TIPToP Customers are not permitted to extend an existing TIPToP TVDP beyond its original Term Period. TIPToP Customers desiring a TIPToP TVDP beyond the Term Period must enter into a Renewal.

(7) TIPToP TVDP Expiration

A TIPToP TVDP expires on the last day of the Term Period. If the TIPToP Customer continues to use TIPToP service, and the TIPToP Customer does not renew the TIPToP TVDP or enter into a new TIPToP TVDP, then the TIPToP Customer's TIPToP service will continue at the prevailing Month to Month terms, conditions and rates for TIPToP service.

(N)

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.2 Rate Regulations (Cont'd)

(B) TIPToP Term Volume Discount Plan (TVDP) (Cont'd)

(8) Term and Volume Discount Plan Schedule

The applicable percentage in the table below shall be applied to the rates in Section 24.3 (A) and (B) to calculate the discount to which the TIPToP Customer is entitled. These discounts will apply, regardless of which Term Year the Customer is in within the TVDP, or the volume they are billing. See Terms and Conditions, Section 24.2(B)(2), preceding, for further details.

Monthly Port Interface Commitment	1 year TVDP	2 year TVDP	3 year TVDP
1,000 – 1,999	1%	2%	3%
2,000 – 2,999	2%	4%	6%
3,000 – 3,999	3%	6%	9%
4,000 – 4,999	4%	8%	12%
5,000 – 5,999	5%	10%	15%
6,000 – 6,999	6%	12%	18%
7,000 +	7%	14%	21%

(N)

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.3 Rates and Charges

(A) TIPToP ONE-WAY Port Interface

Mileage Band	**USOC**	**Monthly Rate Per Port**	**NRC Per Port**
No. 1 (0-25 miles)	PT851	$ 16.95(R)	$ 79.00
No. 2 (26-50 miles)	PT852	$ 25.95	$ 79.00
No. 3 (51-100 miles)	PT853	$ 29.95	$ 79.00
No. 4 (100 or more miles)	PT854	$ 53.95	$ 79.00

(B) TIPToP TWO-WAY Port Interface

Mileage Band	**USOC**	**Monthly Rate Per Port**	**NRC Per Port**
No. 1 (0-25 miles)	PT871	$ 16.95(R)	$ 79.00
No. 2 (26-50 miles)	PT872	$ 25.95	$ 79.00
No. 3 (51-100 miles)	PT873	$ 29.95	$ 79.00
No. 4 (100 or more miles)	PT874	$ 53.95	$ 79.00

(C) TIPToP IP-VIS USAGE (MOU)

	IP-VIS On Net Usage Per MOU	**IP-VIS Off Net Usage Per MOU**
TIPToP Usage within the State:	$0.0026	$0.0250

(D) TIPToP NON IP-VIS (MOU)

	Non IP-VIS On Net Usage Per MOU	**Non IP-VIS Off Net Usage Per MOU**
TIPToP Usage within the State	$0.0060	$0.0850

24. True IP To PSTN (TIPToP) Service (Cont'd)

24.3 Rates and Charges (Cont'd) (T)

		USOC	Non-Recurring Charge	
(E)	Service Establishment Fee	USOC	Non-Recurring Charge	(T) (T)
	- Per initial establishment connection per LATA	SEPNW	$5,000.00	(T) (T)

		USOC	Monthly Rate	
(F)	Service Management Charge	USOC	Monthly Rate	
	- Per LATA	AFE1P	$1,200.00	(T)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®)

(A) Basic Channel Description

DecaMAN® is a fiber based, point-to-point, 10 Gigabit Ethernet service that allows customers to transport data signals between local area networks (LANs). DecaMAN® transports data signals at the rate of 10 Gigabits per second (Gbps). All basic service configurations provide a single direction of transmission.

DecaMAN® is available with two different interfaces:

10 Gigabit Ethernet (LAN-PHY) - A version of Ethernet that allows data transmission rates of 10.3125 Gbps with a LAN-PHY only interface.

10 Gigabit Ethernet (WAN-PHY) - A version of Ethernet that allows data transmission rates of 9.953 Gbps with a WAN-PHY only interface.

Rates and charges for DecaMAN® Service are set forth in Section 25(N), following, with the exception of the services provided by the Telephone Company in the Metropolitan Statistical Areas (MSAs) in which the Telephone Company has received Phase II pricing flexibility pursuant to Subpart H of Part 69 of the Commission's Rules. The rates and charges for the DecaMAN® Service in the MSAs that have received Phase II pricing flexibility are set forth in Section 22. (N)

The following regulations will apply to DecaMAN®:

(1) The Telephone Company considers a service interrupted when it becomes unusable to the customer because of a failure of a facility component used to furnish service under this tariff when the protective controls applied by the Telephone Company result in the complete loss of service by the customer. An interruption period starts when a customer reports an inoperative service to the Telephone Company and the Telephone Company confirms that continuity has been lost, and ends when the service is operative.

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(A) Basic Channel Description (Cont'd)

(2) Service Provisioning

(a) The customer provided equipment (CPE) must deliver the data signals for DecaMAN® transport for the subscribed data service.

(b) DecaMAN® provides physical layer transport only. The Telephone Company assumes no responsibility for the through transmission of signals generated by the CPE, for the signals by the CPE, or address signaling to the extent the CPE performs addressing. Error detection and correction of data generated by the CPE is the customer's responsibility.

(c) There are two provisioning options for DecaMAN®:

- 10 Gigabit Ethernet LAN-PHY, which provides data transmission rates of 10 Gigabits per second with a LAN-PHY interface.
- 10 Gigabit Ethernet WAN-PHY, which provides data transmission rates of 10 Gigabits per second with a WAN-PHY interface.

(B) Rate Regulations

This section contains the specific regulations governing the rates and charges which may apply to the DecaMAN® Service. The rates and charges in effect at the time the DecaMAN® Service is installed and accepted by the customer are the rates and charges which will be billed to the customer requesting the service. The rates and charges in effect at the time may not be the same as those rates and charges in effect at the time the customer requests the service.

If the Telephone Company initiates rate changes resulting in a decrease of rates for an existing service with a 1, 2, 3, or 5 year term period, those rate changes will be passed along to the customer. Rate changes resulting in an increase of rates for an existing service with a 1, 2, 3, or 5 year term period will not exceed the original rate for that selected term period.

There are 7 basic rate elements, which apply to DecaMAN® service: (T)

(1) Local Distribution Channel (LDC)

Local Distribution Channel (Same as Channel Termination) is the termination of DecaMAN® at a customer designated premise (node), as described in Section 7.2.1(A), consisting of the following two elements:

(a) the termination for the fiber optic facilities at each node and its serving wire center.

(b) the fiber optic facility between each node and its serving wire center.

(2) Interoffice Mileage

Interoffice Transport facilities, which provide the transmission path between Serving Wire Centers associated with two customer designated premises, are comprised of Fixed and Per Mile rate elements.

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(B) Rate Regulations (Cont'd)

(3) Repeater

Repeaters (Circuit Regenerators) provide essential detection and retransmission of DecaMAN® signals. Repeaters are provided as required by the Telephone Company when actual fiber facility loss between customer designated premises and/or central office locations exceed design limits. Repeaters will be located exclusively in Telephone Company central offices and are required for each successive transport segment of approximately 21.4 db.

When protection options are ordered, as set forth in Section 25(K), additional repeaters may be necessary on the protected path as determined by the Telephone Company. The Repeater rate element will be applied to a protected circuit per fiber pair.

(4) Collocation Transport (N)

Collocation Transport provides for the transmission facilities arrangement between a Telephone Company Central Office frame and a collocation frame located in the Telephone Company Central Office.

There are two components of Collocation Transport.

(a) Inter/Intra Office Fixed

The Inter/Intra office fixed rate element provides for the electronic equipment required to terminate a channel between two collocation arrangements located either in the same central office (intra) or in two separate central offices (inter).

(b) Inter Office Per Mile

The per mile charge provides for the electronic equipment and facilities necessary to provide the interoffice transport between collocation arrangements.

The following types of Collocation Transport are:

LAN PHY
WAN PHY

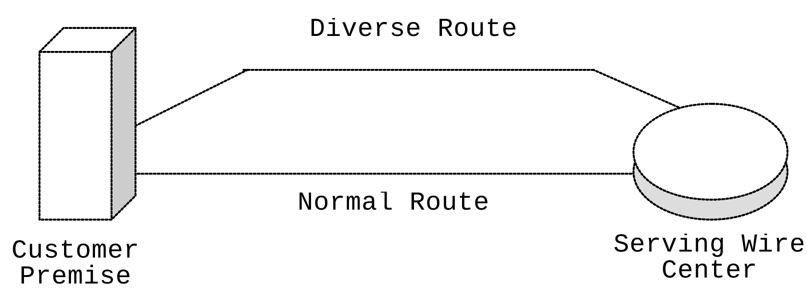
In addition to one Collocation Transport charge, two EISCC charges of the same speed from Section 18.8.2 will apply, per collocation arrangement. (N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(B) Rate Regulations (Cont'd)

(5) Local Channel Diversity (T)

Local Channel Diversity provides for a transmission path between a designated customer premises and the standard service wire center (SWC) that is diverse from the normal/standard transmission path. Local Channel Diversity requires two DecaMAN® services purchased by the same customer of record. With this arrangement, one or more local distribution channels will be provisioned over the standard route, and one or more local distribution channels will be provisioned over the diverse route. Local Channel Diversity does not provide for all diversity, it only allows for diversity from the splice point closest to the customer's property line to the SWC. If a customer desires full diversity, arrangements must be made for constructing dual entrance facilities into the customer's premises, at the customer's expense.



(6) Inter-Wire Center (IWC) Diversity (T)

Inter-Wire Center (IWC) Diversity arrangements presume that each end of a DecaMAN® local distribution channel is serviced out of a different serving wire center (SWC). Inter-Wire Center Diversity requires two DecaMAN® services purchased by the same customer of record.

ACCESS SERVICE

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

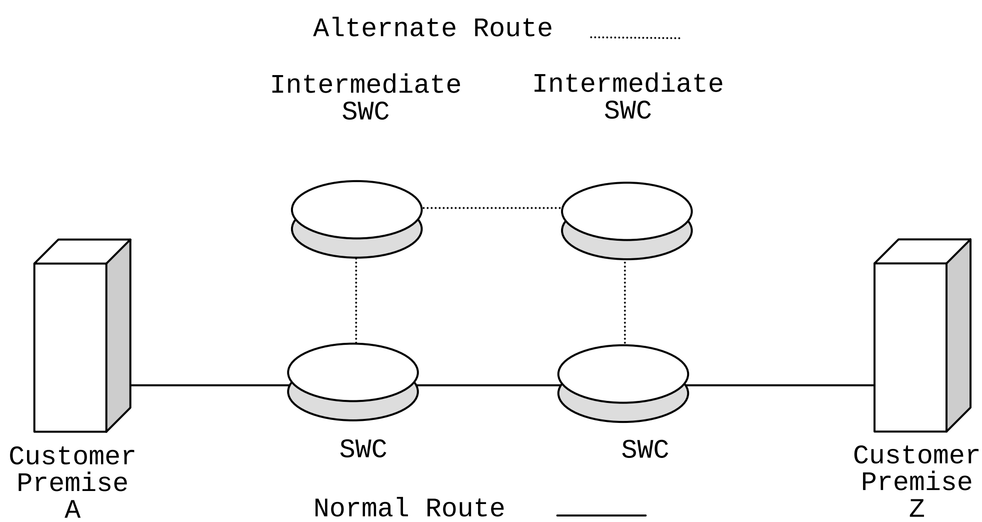
(B) Rate Regulations (Cont'd)

(6) Inter-Wire Center (IWC) Diversity (Cont'd)

This arrangement provides a transmission path for DecaMAN® local distribution channels between the customer's designated SWC and the SWC at the distant end of the circuit over a transmission path that is separate from the standard transmission path between the two wire centers. IWC diversity does not provide for full diversity. It only offers interoffice diversity. If a customer desires full diversity, Alternate Wire Center Diversity must be implemented along with IWC Diversity. Additionally, arrangements must be made for constructing dual entrance facilities at the customer's premises, at the customer's expense.

(a) Inter-Wire Center Diversity (IWC) Mileage Measurement

Mileage measurements for Access Services, provisioned via an Inter-Wire Center Diversity, will be based on the diverse routing; i.e. mileage measurements will be calculated between the Intermediate Serving Wire Centers along the circuit path of the diversely routed DecaMAN® service.



(N)

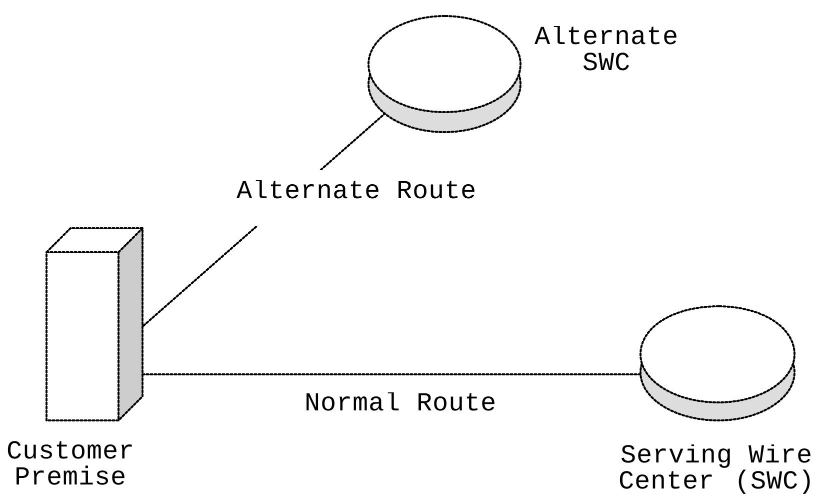
25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(B) Rate Regulations (Cont'd)

(7) Alternate Wire Center Diversity (T)

Alternate Wire Center Diversity is for the local loop only. It provides a local channel transmission path for DecaMAN® service between the customer's designated premises and a wire center that is not the normal (or standard) service wire center. The Telephone Company will choose the alternate wire center closest to the customer's designated premises that is capable of providing DecaMAN® service over the alternate route. If a customer desires full diversity, arrangements must be made for constructing dual entrance facilities into the customer's premises, at the customer's expense.

If the circuit routed to the alternative wire center has Interoffice Mileage, measurements will be based on the alternate routing; i.e. mileage measurements will be made to the alternate wire center rather than the serving wire center from which the customer designed premises would normally obtain dial tone.



25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(C) Non-recurring Charges

Non-recurring charges are one–time charges that apply for specific work activity related to the provisioning of DecaMAN® Service, as described in Section 7.2.2(C).

(D) Recurring Charges

Recurring Charges are rates that apply each month or fraction thereof that the service is provided. Recurring rates apply to 12-, 24-, 36-, or 60-month term periods under the terms and conditions of a Term Pricing Plan (TPP), discussed in (F) following.

(E) Monthly Extension Rates

Upon completion of a TPP, customer's service will automatically convert to the Monthly Extension Rates unless the customer requests a new TPP.

(F) Term Pricing Plan (TPP)

DecaMAN® is available for 12-, 24-, 36-, or 60-month term periods. If the Telephone Company initiates rate changes resulting in a decrease of rates for an existing service with a TPP, those rate changes will be passed along to the customer. Rate changes resulting in an increase of rates for an existing service with a TPP will not exceed the original rate for that selected TPP.

(1) Renewals

At the end of a TPP period, the customer must select one of the following options within one month prior to the expiration date:

(a) Renew the service for a one, two, three, or five year TPP as provided in this tariff;
(b) Elect to disconnect the service upon expiration of the billing period; or
(c) Continue the service on a monthly basis at the current Monthly Extension Rates.

All services under an existing TPP that are not renewed within the period stated above will revert to Option (1)(c) above and will be billed at the current Monthly Extension Rates.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(F) Term Pricing Plan (TPP) (cont'd)

(2) Conversions

During the customer's TPP, term conversions may be made to a new TPP term of the same or greater length. The expiration date of the new service must be beyond the expiration date of the original TPP term. With the new TPP, the customer incurs no termination liability for the remaining months on the original TPP.

An Administrative Charge is applicable when customers renew or change the length of the TPP term.

(3) Termination Liability

Customers requesting termination of service prior to the expiration date of the TPP term will be liable for a termination charge, which is calculated as follows:

Term Period	Termination Percentage
1 Year	85%
2 Year	85%
3 Year	75%
5 Year	60%

(Monthly Recurring Rate) X (Months Remaining in Billing)
X (Termination Percentage) = Termination Liability Charge

Example: A DecaMAN® customer with a $6,000.00 monthly rate terminates service after 2 years with 1 year (12 months) remaining in a 3 year TPP. The termination liability would be calculated as follows:

$6,000 X 12 X .75 = $54,000.00 Termination Charge

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(G) Moves

Moves involve a change in the physical location of one of the following:

(1) Service rearrangement;
(2) Point of Termination at the customer's premises; or
(3) Customer's premises.

Move charges are dependent upon the type of move requested by the customer.

(1) Service Rearrangement

Service rearrangements are changes to existing (installed) services, which do not result in a change in the minimum period requirements, as set forth in Section 7.2.2(C)(3).

(2) Moves Within the Same Building

When the move is to a new location within the same building, the Administration charge and Customer Connection charge for the service termination affected will apply. There will be no change in the minimum period requirements, as described in Section 7.2.3(A).

(3) Moves to a Different Building

Moves to a different building will be treated as a discontinuance of service; therefore, all nonrecurring charges associated with new service, and new minimum period requirements, as described in Section 7.2.3(B), will apply.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(G) Moves (Cont'd)

(4) DecaMAN® customers subscribing to three (3) and five (5) year Term Pricing Plans may move one end of the DecaMAN® service per the following regulations:

(a) A customer may move one end of the DecaMAN® service to a different premises in the same LATA, without incurring early termination liability charges for their existing DecaMAN® service, providing the following criteria are met, and are contingent upon the availability of fiber from premises to premises.

(1) Customers must have completed at least 15 months (for 3 year TPP), and 18 months (for 5 year TPP) of their existing DecaMAN® TPP,

(2) The customer subscribes to a new Term Pricing Plan period that is greater than the remaining months in the existing Term Pricing Plan,

(3) The billing period revenue for the new service is equal to or greater than the billing period revenue remaining in the service being converted.

(4) Spare facilities and equipment must be available or special construction charges, as set forth in Pacific Bell Tariff F.C.C. No. 2, shall apply.

The moved service will require a disconnect of the existing DecaMAN® service and placement of an order for the new DecaMAN® service for same customer of record as disconnected service.

The monthly rates for the new services shall be those rates in effect at the time the new service is being installed and requires a disconnect of the existing DecaMAN® service and placement of an order for new DecaMAN® service.

Nonrecurring charges will apply where applicable.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(G) Moves (Cont'd)

(4) (Cont'd)

(b) If the DecaMAN® service was installed with protection options and the customers subsequently requests a move of the channel termination within the same building after installation, a change may be required to the customer premises based Telephone equipment, which will be determined by the Telephone Company. Nonrecurring charges as set forth in Section 25(M), preceding are applicable (one-half the nonrecurring charge per channel termination). With this upgrade the customer will experience an out of service condition.

(H) Mileage Measurement

(1) Standard Two-Fiber Circuit

The mileage is calculated on the airline distance between the locations involved, i.e. the serving wire centers associated with two customer designated premises and an international boundary point, a serving wire center associated with a customer designated premise and a Telephone Company Hub, a serving wire center associated with a customer designated premise and a WATS Serving Office as described in Section 7.2.5.

(2) Diversely Routed Circuit

Described in Section 25(B)(6)(a). (N)

ACCESS SERVICE

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(H) Mileage Measurement (Cont'd)

(3) Protected Four-Fiber Circuit

For protected DecaMAN® service, mileage charges are applicable on both paths of the protected service. Both Fixed Mileage and Variable Mileage rates will be applied to each fiber path. Mileage measurements for the primary path will be calculated similar to a standard circuit (described in Section 25(H)(1)). Mileage measurements for the secondary path will be based on the additional routing (i.e., mileage measurements will be calculated between the intermediate Wire Centers along the circuit path of the diversity routed DecaMAN® service).

(I) Modification of Access Service

The customer may request a modification of its Access Order at anytime prior to notification by the Telephone company that service is available for the customer's use. The Telephone Company will make every effort to accommodate a requested modification when it is able to do so with the normal work force assigned to complete such an order within normal business hours.

If the modification cannot be made with the work force during normal business hours, the Telephone Company will notify the customer. If the customer still desires the Access Order Modification, the Telephone Company will schedule a new service date. All charges for Access Order modifications will apply on a per occurrence basis as described in Section 5.2.2.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features

(1) Protection Options

Protection options are provisioned on the customer's DecaMAN® service, and the customer is not required to purchase a second DecaMAN® circuit for protection options. Protection options are applied on a per DecaMAN® circuit basis only.

Protection options are available where facilities and/or operating conditions permit. Where facilities and/or operating conditions do not permit, Special Construction charges, as set forth in Pacific Bell Tariff F.C.C. No. 2, may apply. Protection options provide additional levels of reliability to DecaMAN® service. There are multiple protection options offered. The options do not need to be the same, but both Channel Terminations of the DecaMAN® service must include some form of protection for the service to be considered protected.

The Telephone Company will design the protection option based upon the configuration of the customer's DecaMAN® service.

Additional repeaters may be necessary on the protected path as determined by the Telephone Company and set forth in Section 25(B)(3)following.

If the DecaMAN® service was installed without protection and customer subsequently request protection options after the DecaMAN® order has been completed, and customer premises locations remain the same, a change to the customer premises based Telephone equipment is required. This change will be treated as an upgrade to the DecaMAN® service, and Installation, Rearrangement and Protection nonrecurring charges are applicable. This change will require a disconnect of the existing DecaMAN® service and placement of an order for the new DecaMAN® service for the same customer of record. With this upgrade the customer will experience a temporary out of service condition.

Protection switching in less than 50 milliseconds will occur on DecaMAN® services with protection options, with the exception of Power Protection, which is not Switch protected. Protection options are offered with a Service Level Agreement (SLA) that targets a service availability of 99.99%. SLA are not applicable in the event of a cable cut in any unprotected portion of the DecaMAN® service fiber path or when customer requested modifications to the service require down time.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(1) Protection Options (Cont'd)

DecaMAN® Protection Options are offered as follows:

(a) Equipment Only Protection – per Termination Point

(b) Equipment Plus Fiber Path Protection

(1) Equipment Plus Alternate Wire Center Path Protection – per Terminating Point

(2) Equipment Plus Channel Termination Path Protection – per Terminating Point

(3) Inter Wire Center Path Protection – per Interoffice Segment

(c) Power Protection

(2) Equipment Only Protection

Equipment Only Protection offers one DecaMAN® signal routed on two different fiber pairs that co-exist in the same cable and conduit structure that terminate into two distinct and separate network terminating equipment devices at the customer's premises.

All protected configurations have one working and one standby path. In the event of a failure of the customer's transmission path, the DecaMAN® equipment will switch the customer's transmission to a dedicated standby path within 50 milliseconds of detection. In the event of a failure to both fiber transmission paths, an out of service condition will result. This form of protection can only be ordered per channel termination for each protected DecaMAN® service, and may also apply to the Inter-Wire center segment if the DecaMAN® service is served by more than one serving wire center. (N)

ACCESS SERVICE

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(2) Equipment Only Protection (Cont'd)

If a customer requests complete protection extending to the Telephone Company serving wire center from their premises location when utilizing Equipment Protection, they must request diverse entrance facilities into their premises at each end from the nearest Telephone Company splice point closest to the customer premises location. This work is subject to special construction charges as set forth in Pacific Bell Tariff F.C.C. No. 2.

(3) Equipment Plus Fiber Path Protection

Equipment Plus Fiber Path Protection offers varying degrees of path protection for each channel termination of the DecaMAN® service, plus the inter-wire segment if the service is served by more than one serving wire center, and is offered as follows:

(a) Equipment Plus Alternate Wire Center Path Protection

Equipment Plus Alternate Wire Center Path Protection offers one DecaMAN® signal routed over one fiber pair of the protected DecaMAN® service from the customer's premises to the customer's normal serving wire center, and a duplicate DecaMAN® signal routed over a diversely routed fiber pair to the Alternate Wire center selected by the Telephone Company.

If any location between the two fiber paths is closer than ten feet, the location will be disclosed to the customer. The customer will determine whether to accept the engineered path or agree to pay special construction charges, as set forth in Pacific Bell Tariff F.C.C. No. 2, to provide a completely diverse route.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(3) Equipment Plus Fiber Path Protection (Cont'd)

(a) Equipment Plus Alternate Wire Center Path Protection (Cont'd)

Where facilities are not available, the customer may select Equipment Only Protection for an inter-office segment. This option can be selected for one or both channel terminations of the DecaMAN® service.

All protected configurations have one working and one standby path. In the event of a failure of the customer's transmission path, the DecaMAN® service will switch to a dedicated standby path within 50 milliseconds of detection. In the event of failure to both fiber transmission paths, an out of service condition will result. This form of protection can only be ordered per channel termination for each protected DecaMAN® service.

If a customer requests complete protection extending to the Telephone Company serving wire center from their premises location when utilizing Equipment Protection Plus Alternate Wire Center Path Protection, they must request diverse entrance facilities into their premises at each end, from the nearest Telephone Company splice point closest to the customer premise location. This work is subject to special construction charges as set forth in Pacific Bell Tariff F.C.C. No. 2.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(3) Equipment Plus Fiber Path Protection (Cont'd)

(b) Equipment Plus Channel Termination Path Protection

Equipment Plus Channel Termination Path Protection offers a duplicate DecaMAN® signal routed over two diversely routed fiber paths to the customer's normal serving wire center.

If any location(s) between two fiber paths is closer than ten feet, the location(s) will be disclosed to the customer. The customer will determine whether to accept the engineered path or agree to pay special construction charges as set forth in Pacific Bell Tariff F.C.C. No. 2, to provide a completely diverse route.

All protected configurations have one working and one standby path. In the event of a failure of the customer's transmission path, DecaMAN® technology will switch the customer's transmission to a dedicated standby path within 50 milliseconds of detection. In the event of failure to both fiber transmission to a dedicated standby path and/or failure to both fiber transmission paths, an out of service condition will result.

This form of protection can only be ordered per Channel Termination for each protected DecaMAN® service from the customer's premises location, or from the manhole/splice point nearest the customer premises, to the Telephone Company serving wire center.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(3) Equipment Plus Fiber Path Protection (Cont'd)

(b) Equipment Plus Channel Termination Path Protection (Cont'd)

If a customer requests complete protection extending to the Telephone Company serving wire center from their premises location when utilizing Equipment Protection Plus Channel Termination Path Protection, they must request diverse entrance facilities into their premises at each end from the nearest Telephone Company splice point closest to the customer premises location. This work is subject to Special Construction charges as set forth in Pacific Bell Tariff F.C.C. No. 2.

(c) Inter-Wire Center Path Protection

Inter-Wire Center Path Protection offers a duplicate DecaMAN® signal routed over two diversely routed fiber paths between the two serving wire centers or alternate wire centers. Path protection starts at the nearest manhole outside the Telephone Company serving wire center. Inter Wire Center Path Protection must be ordered with either Equipment Only, Channel Termination Path Protection or Alternate Wire Center Path Protection.

If any location(s) between the two fiber paths is closer than ten feet, the location(s) will be disclosed to the customer. The customer will determine whether to accept the engineered path or agree to pay special construction charges, as set forth in Pacific Bell Tariff F.C.C. No. 2, to provide a completely diverse route. (N)

ACCESS SERVICE

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(3) Equipment Plus Fiber Path Protection (Cont'd)

(c) Inter-Wire Center Path Protection (Cont'd)

All protected configurations have one working and one standby path. In the event of a failure of the customer's transmission path, DecaMAN® technology will switch the customer's transmission to a dedicated standby path within 50 milliseconds of detection. In the event of failure to both fiber transmission paths, an out of service condition will result.

(d) Power Protection

Power Protection provides DecaMAN® customers with battery backup for up to eight (8) hours to maintain DecaMAN® equipment in the event of a commercial AC power failure.

Power Protection is offered on a per equipment bay capacity basis, per customer premises, and is dependent upon the number of DecaMAN® services for the DecaMAN® customer of record. The Telephone Company will apply the power protection rate elements based upon the circuit capacity. More than one rate element may be applicable. The Telephone Company will determine the design and engineering requirements for Power Protection for DecaMAN® customers. (N)

ACCESS SERVICE

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(J) Optional Features (Cont'd)

(3) Equipment Plus Fiber Path Protection (Cont'd)

(d) Power Protection (Cont'd)

Customers in multi-tenant buildings will require separate equipment and bays dedicated to each customer.

The addition of Power Protection to existing DecaMAN® service may result in temporary service interruption.

Power Protection is not available for installations using a wall mounted cabinet.

Customers are responsible for providing floor space for power equipment as set forth in Section 2.3.3 preceding.

(K) Allowance for Service Interruptions

A Service Level Agreement (SLA) is offered with fully-protected DecaMAN® service, which provides the customer with a performance commitment that includes financial compensation if the service does not perform as described.

Service availability performance 99.99% is offered on a DecaMAN® service with protection (defined as Equipment Plus Path Protection) for every segment of the service.

If this SLA is not met, the customer will be entitled to a credit equal to 100% of the monthly rate for the period of the interruption of service affecting that rate element(s), not to exceed the total monthly charges for the service. Only one credit in a billing period, will apply.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(K) Allowance for Service Interruptions (Cont'd)

The service is considered interrupted when the customer reports a service disruption of greater than ten (10) consecutive seconds to the Telephone Company, and the Telephone Company confirms that continuity of its service has been lost.

In order to qualify for this credit, the outage must be determined by the Telephone Company to be in its network, and the failure occurred in that part of the service with the protection. SLA adjustments are not available in the event of a cable cut in any unprotected portion of the DecaMAN® service fiber path, or due to customer requested modifications to the service that may require down time.

SLAs are applicable to customers who purchase Equipment Plus Alternate Wire Center Path Protection or Equipment Plus Channel Termination Path Protection on both ends of a DecaMAN® service (both channel terminations) as well as Inter-Wire Center Path Protection when applicable. The customer is responsible for notifying the Telephone Company when the service parameter within the calendar month falls below the committed level. The customer must request a service credit adjustment within 25 days after the end of the month when the failure occurred.

(L) Upgrade to DecaMAN® from Lower Speeds

Customers with one, two, three, or five year GigaMAN® TPPs may at any time, upgrade to DecaMAN® service without incurring the Termination Liability charge, providing the following criteria are met:

(1) The customer subscribes to a Term Pricing Plan period that is equal to, or greater than, 12 months;
(2) The expiration date for the new Term Pricing Plan period is beyond the end of the original Term Pricing Plan period;
(3) No lapse in service occurs;
(4) 100% of any waived or unamortized nonrecurring charges will apply;
(5) The monthly rates for the new service will be those rates in effect at the time the new service is installed;
(6) The new service is provided between the same customer locations and with the same customer of record as the disconnected service; and
(7) The billed monthly recurring revenue for the new service is equal to or greater than the billed monthly recurring revenue remaining in the service being converted. (N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(M) LAN-PHY to WAN-PHY and WAN-PHY to LAN-PHY conversions

LAN-PHY to WAN-PHY and WAN-PHY to LAN-PHY conversions will be treated as a complete disconnect and new connect of the DecaMAN® service, requiring placement of an order for the new service. No Termination Liability charges will apply, providing the following criteria are met:

(1) The customer subscribes to a Term Pricing Plan period that is equal to, or greater than, 12 months;
(2) The expiration date for the new Term Pricing Plan period is beyond the end of the original Term Pricing Plan period;
(3) No lapse in service occurs;
(4) 100% of any waived or unamortized nonrecurring charges will apply;
(5) The monthly rates for the new service will be those rates in effect at the time the new service is installed;
(6) The new service is provided between the same customer locations and with the same customer of record as the disconnected service; and
(7) The billing period revenue for the new service is equal to or greater than the billing period revenue remaining in the service being converted.

(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(N) Rates and Charges

(1) Recurring Charges

(a) LAN-PHY

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(1) Local Distribution Channel							
-Per Point of Termination Terminating Bit Rate 10 Gbps -All States	TMECS	$18,000.00	$15,000.00	$12,000.00	$8,500.00	$7,250.00	N/A
(2) Interoffice Transport Mileage							
-Fixed -All States	1L5XX	3,600.00	2,700.00	1,800.00	1,275.00	1,150.00	N/A
-Per Mile 10 Gbps -All States	1L5XX	425.00	300.00	250.00	125.00	100.00	N/A
(3) Repeater -each	VU4	7,200.00	6,000.00	4,800.00	3,400.00	2,900.00	N/A
(4) Diversity Options							
Local Channel Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPALX	3,938.00	3,038.00	2,700.00	2,250.00	2,025.00	850.00
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPATX	2,625.00	2,025.00	1,800.00	1,500.00	1,350.00	700.00
Alternate Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPAAX	6,300.00	4,860.00	4,320.00	3,600.00	3,240.00	950.00
(5) Collocation Transport facilities between Collocation Arrangements (N)							
- Fixed	1H48S	9,600.00	6,700.00	4,800.00	4,200.00	3,800.00	
- Per Mile	1H48S	425.00	300.00	250.00	125.00	100.00	(N)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(N) Rates and Charges (Cont'd)

(1) Recurring Charges (Cont'd)

(a) LAN-PHY (Cont'd)

(T)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(6) Protection – per DecaMAN® service arranged							
-Equipment Only Protection, per terminating end	CPAEX	9,000.00	8,250.00	7,350.00	6,300.00	5,400.00	3,000.00
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	14,760.00	12,300.00	11,040.00	9,600.00	8,400.00	4,500.00
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	13,140.00	10,950.00	9,900.00	8,550.00	7,350.00	4,200.00
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	1,425.00	1,125.00	600.00	450.00	300.00	625.00
-Power Protection(1)	VBBGX	700.00	625.00	525.00	480.00	435.00	475.00

(1) Power Protection rate elements are applicable, as set forth in 25(K), preceding.

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(N) Rates and Charges (Cont'd)

(1) Recurring Charges (Cont'd)

(b) WAN-PHY

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC
(1) Local Distribution Channel							
-Per Point of Termination Terminating Bit Rate 10 Gbps -All States	TMECS	$19,800.00	$16,500.00	$13,200.00	$9,600.00	$8,200.00	N/A
(2) Interoffice Transport Mileage							
-Fixed -All States	1L5XX	3,600.00	2,700.00	1,800.00	1,275.00	1,150.00	N/A
-Per Mile 10 Gbps -All States	1L5XX	425.00	300.00	250.00	125.00	100.00	N/A
(3) Repeater -each	VU4	7,200.00	6,000.00	4,800.00	3,400.00	2,900.00	N/A
(4) Diversity Options							
Local Channel Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPALX	3,938.00	3,038.00	2,700.00	2,250.00	2,025.00	850.00
Inter Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPATX	2,625.00	2,025.00	1,800.00	1,500.00	1,350.00	700.00
Alternate Wire Center Diversity -Per Channel Terminating Bit Rate 10 Gbps -All States	CPAAX	6,300.00	4,860.00	4,320.00	3,600.00	3,240.00	950.00
(5) Collocation Transport facilities between Collocation Arrangements (N)							
- Fixed	1H48S	9,600.00	6,700.00	4,800.00	4,200.00	3,800.00	
- Per Mile	1H48S	425.00	300.00	250.00	125.00	100.00	(N)

(This page filed under Transmittal No. 135)

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd)

(N) Rates and Charges (Cont'd)

(1) Recurring Charges (Cont'd)

(b) WAN-PHY (Cont'd)

	USOC	Monthly Extension	Term Pricing Plan 12 Mo.	24 Mo.	36 Mo.	60 Mo.	NRC	
(6) Protection – per DecaMAN® service arranged								(T)
-Equipment Only Protection, per terminating end	CPAEX	9,000.00	8,250.00	7,350.00	6,300.00	5,400.00	3,000.00	
-Equipment Plus Alternate Wire Center Path Protection, per terminating end	CPAFX	14,760.00	12,300.00	11,040.00	9,600.00	8,400.00	4,500.00	
-Equipment Plus Channel Termination (Local Channel) Path Protection, per terminating end	CPAGX	13,140.00	10,950.00	9,900.00	8,550.00	7,350.00	4,200.00	
-Inter Wire Center Path Protection, per interoffice segment	CPAHX	1,425.00	1,125.00	600.00	450.00	300.00	625.00	
-Power Protection[1]	VBBGX	700.00	625.00	525.00	480.00	435.00	475.00	

[1] Power Protection rate elements are applicable, as set forth in 25(K), preceding.

25. 10 Gigabit Ethernet Metropolitan Area Network (DecaMAN®) (Cont'd) (N)

(N) Rates and Charges (Cont'd)

(2) Installation and Rearrangement Charges

(a) LAN-PHY

All States	USOC	Nonrecurring Charge[1]
(1) Administrative Charge per Order	ORCMX	$60.00
(2) Design Central Office Connection Charge per circuit	NRMCK	$600.00
(3) Customer Connection Charge per Termination	NRBBL	$1,400.00

(b) WAN-PHY

All States	USOC	Nonrecurring Charge[1]
(1) Administrative Charge per Order	ORCMX	$60.00
(2) Design Central Office Connection Charge per circuit	NRMCK	$600.00
(3) Customer Connection Charge per Termination	NRBBL	$1,400.00

(1) The Installation and Rearrangement non-recurring charges will be waived for customers purchasing a 36 or 60 month term pricing plan.

(N)

ACCESS SERVICE

(This page filed under Transmittal No. 121)

26. Dedicated SONET Ring Service (N)

26.1 General Description

(A) Basic Service Description

Dedicated SONET Ring OC-3, OC-12 and OC-48 Service provides customers with a dedicated custom network. The network is in a ring architecture, including sub-rings, designed to provide increased reliability and functionality by connecting multiple customer designated locations and specified Telephone Company Central Offices (COs) via self-healing network designs. Dedicated SONET Rings OC-3, OC-12 and OC-48 are available via Self-Healing Uni-Directional Path Switched Rings (UPSR); additionally, OC-48 is available via Self-Healing Bi-Directional Line Switched Rings (BLSR). The dedicated ring can connect multiple (between 2 and 16) customer-designated locations and Telephone Company COs, where SONET facilities and equipment are available. The Dedicated SONET Ring services will interface with other compatible Telephone Company-provided Special Access Services as provided by the Tariff (i.e. DS1, DS3).

Rates and charges for Dedicated SONET Ring Service are set forth in Section 26.4, with the exception of the services provided by the Telephone Company in the Metropolitan Statistical Areas (MSAs) in which the Telephone Company has received Phase II pricing flexibility pursuant to Subpart H of Part 69 of the Commission’s Rules. The rates and charges for the Dedicated SONET Ring Service in the MSAs that have received Phase II pricing flexibility are set forth in Section 22.

Rate elements include nodes, ports, mileage between nodes and regenerators. Rates are specified in Section 26.4, following.

(B) Service Provisioning

(1) Manner of Provisioning

All customers will be served from the nearest suitably equipped end office. Information pertaining to end offices equipped to provide Dedicated Ring Service is set forth in the National Exchange Carrier Association, Inc. (NECA) Tariff F.C.C. No. 4. Dedicated SONET Ring Service will be provided subject to the availability and limitations of the Telephone Company’s wire centers and outside plant facilities. Dedicated SONET Ring Service is only available where technical capabilities permit such facility distance and type of physical plant. Where facilities are not available, Special Construction charges may apply.

(2) Limitations

The Telephone Company does not undertake to originate data, but offers the use of its Dedicated SONET Ring Service, where available, to customers for the purpose of transporting data originated by the customer or a third party. (N)

(N)

26. Dedicated SONET Ring Service (Cont’d)

26.1 General Description (Cont’d)

(B) Service Provisioning (Cont’d)

(3) Allowance for Service Interruptions

Dedicated SONET Ring Service provides Automatic Protection Switching to assure 100 percent availability of the services on the ring. A service interruption will result in a credit equal to one month's bill for the individual port-to-port connection involved. An interruption of service will start when an inoperative service is reported to the Telephone Company, and end when the service is operative. In any month, as a result of an interruption, the total credit per rate element of the interrupted service may not exceed 100 percent of the monthly charge for that particular rate element.

In the event that protected facilities do not exist (including dual entrance facilities) and the customer does not utilize Special Construction to provide protected facilities, the unprotected dedicated ring will be provided.

(C) Responsibility of The Telephone Company

The Telephone Company will provision and maintain Dedicated SONET Ring Service for the customer up to and including the Network Interface (NI).

(D) Rights of The Telephone Company

The Telephone Company will not provision Dedicated SONET Ring Service if it has reasonably determined that (a) it is not technically feasible over existing facilities, or (b) it will cause interference problems within the Telephone Company’s network or other facilities.

During the Telephone Company’s network maintenance and software update period, it may be necessary to temporarily place the Dedicated SONET Ring Service CO equipment out of service. The Telephone Company also reserves the right to temporarily interrupt Dedicated SONET Ring Service at other times in emergency situations.

(N)

ACCESS SERVICE

26. Dedicated SONET Ring Service (Cont'd)

26.1 General Description (Cont'd)

(E) Responsibility of Customer

The customer is responsible for providing compatible Customer Provided Equipment (CPE) that is used for connection to Dedicated SONET Ring Service.

26.2 Technical Specifications

Technical specifications for Dedicated SONET Ring Service are listed in the following Telephone Company publications:

(1) TP 76839 SONET Transmission Requirements Performance and Interface Specifications

(2) AM TR-NIS-000111 Ameritech OC-3, OC-12, OC-48 and OC-192 Service Interface Specifications

(3) AM TR-TMO-000101 Ameritech Digital Service Transmission Parameters for Performance

(4) SBC-TP-76412-000 Customer Interface Standards for 100 Mbps and Higher Excluding SONET Interfaces

Dedicated SONET Ring Service offers the following SONET (Synchronous Optical Network) based Interfaces:

DS1 1.544 Mbps
DS3 44.736 Mbps
EC-1 51.84 Mbps (N)
OC-3 155.520 Mbps
OC-3c 155.520 Mbps (concatenated)
OC-12 622.080 Mbps
OC-12c 622.080 Mbps (concatenated)
OC-48 2488.320 Mbps
Ethernet 100 Mbps
Ethernet 1 Gbps

26.3 Rate Regulations

(A) Rate Elements

(1) Nodes

The ring will provide connectivity to multiple customer designated locations (nodes). However, a ring must have a minimum of two nodes, excluding sub-ring nodes. At least one node must be a Telephone Company CO node. A maximum of 16 nodes, including regenerators, will be allowed per ring.

The Telephone Company reserves the right to determine the order of the nodes on the ring.

26. Dedicated SONET Ring Service (Cont'd) (N)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(1) Nodes (Cont'd)

When a customer premises node is located in the same building as a CO node, diversity between the two nodes may not be available.

If a customer collocates two customer premises nodes of the same speed, on the same dedicated ring, on the same premises, the additional node will be billed as shown in Section 26.4. This option does not provide diversity between these two collocated nodes and the rest of the ring.

(a) Sub-Ring Node

A sub-ring node is a lower speed optical extension off a main ring. It traverses one or more main ring nodes via the use of OC-N port connections on and off the main ring. The primary use of sub-ring nodes is to provide the ability to fully utilize the bandwidth around the ring when the customer requires DS1/VT1.5 circuit paths.

An optional sub-ring node is available at OC-3 and OC-12 speeds from an OC-48 main ring, and OC-3 speed from an OC-12 main ring. A sub-ring node may only connect to the main ring at the same, or an adjacent, main ring node. A sub-ring node may not connect directly to another sub-ring node.

Any service that enters the main ring via a port on a sub-ring node must also exit via a port on another sub-ring node (sub-ring on - sub-ring off). Cascading sub-rings are not allowed off a main ring. Service circuits may not be established between sub-ring nodes connecting to the same main ring node or between a sub-ring node and a port on the same main ring node to which it connects.

Each sub-ring must be implemented as an OC-M on an OC-N ring with full complement of STS-1s, STS-3s or STS-12s, depending on the bandwidth of the sub-ring, appearing together at all associated sub-ring nodes on a given sub-ring.

Two OC-N ports and associated node charges apply for each sub-ring node connected to the main ring, as well as applicable mileage for the sub-ring.

A sub-ring node which is co-located with a main ring node at the customers premises (for the same dedicated ring) will be billed as an "Additional Node" per 26.4 (A), following. A sub-ring is not available with a two-node main ring configuration.

(N)

26. Dedicated SONET Ring Service (Cont'd)

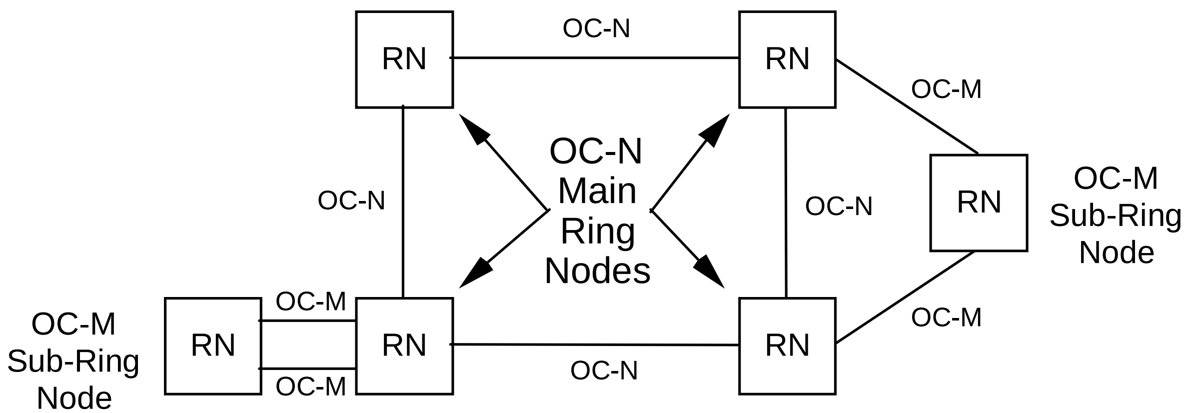
26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(1) Nodes (Cont'd)

(a) (Cont'd)

Sub-Ring Node Diagram



Sub-Ring Nodes, OC-M < OC-N

(b) Re-Map Node

A Re-Map node is a ring node that is pre-equipped and dedicated to customer traffic that is re-mapped/re-routed to it by the Telephone Company (upon notification by the customer of a service outage at another customer premises node on the same dedicated ring).

Re-Map is designed as a temporary service for disaster recovery purposes only. No "normal" customer traffic will be added/dropped at the Re-Map node unless the Re-Map service is activated.

(c) Flex-Ring (N)

Flex-Ring feature provides double the standard bandwidth levels for the Dedicated Ring product. The customer has the ability to double their bandwidth without ordering the next higher ring service. (N)

Certain material previously appearing on this page now appears on Original Page 26-6.1.

ACCESS SERVICE

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(1) Nodes (Cont'd)

(c) Flex-Ring (Cont'd)

(1) Double-Rings

Double-Rings will provide the ability to place two rings on the same DSRS equipment. Nodes of the second ring must be the same as the first ring. The second OC-12 and OC-48 ring is available and will require a new TPP upon the upgrade. All nodes on the ring will be at the same level. The additional higher speed optics may contribute to slot exhaustion on the main node. The standard features and components (mileage, ports, etc.) are available as described in Section 26.3(A). The second ring will require another pair of fibers so mileage will apply to both rings. There will only be two rings available on a single SONET ring equipment. The second ring's line rate will be the same as the first ring.

(2) OC-48 Add/Drop Capability

This provides the capability to add/drop lower speed channels from an OC-48 Dedicated Ring node location via OC-12 and OC-3 ports. OC-48 Add/Drop Capability at an OC-48 Dedicated SONET Ring Service node location will support any combination of service traffic not to exceed 48 STS-1 equivalents. The Add/Drop capability charge is applied only once and only when the 25th DS3 port is applied per node.

(3) Ports (M)

Lower speed channels are accessible at nodes via port (M)
terminations. Ports provide access to lower-speed services at (M)
each node (e.g. DS1, DS3, STS-1, EC-1, OC-3, 100 Mbps (N)
Ethernet, 1 Gbps Ethernet, and possibly OC-12, depending on (M)
the bandwidth of the ring). Port configuration requirements are provided by the customer when the Dedicated SONET Ring service is ordered. The capacity of the selected OC-3, OC-12 or OC-48 Dedicated SONET Ring service is determined by the number of individual port-to-port connections available between all nodes on the ring. (M)

Certain material previously appearing on this page now appears on 1st Revised Page 26-8.
Certain material appearing on this page previously appeared on 1st Revised Page 26-7.

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd) (T)

(3) Ports (Cont'd)

Accepted interfaces are as follows:

	OC-3 Node	OC-12 Node	OC-48 Node
DS1 Ports	X (Max. 84/Node)	X[1](Max. 84/OC-3 or OC-3c Port)	X[1](Max. 84/OC-3, OC-3c Port)
DS3 Ports	X (Max. 3/Node)	X (Max. 12/Node)	X (Max. 48/Node)
EC-1 Ports	X (Max. 3/Node)	X (Max. 12/Node)	X (Max. 48/Node)
OC-3/3c Ports[2]	X (Max. 1/Node)	X (Max. 4/Node)	X (Max. 16/Node)
OC-12/12c Ports[2]	N/A	X (Max. 1/Node)	X (Max. 4/Node)
OC-48/48c Ports[2]	N/A	N/A	X (Max. 1/Node)
100 Mbps (STS-1) Ethernet Port	X (Max. 3/Node)	X (Max. 12/Node)	X (Max. 48/Node)
100 Mbps (STS-3c) Ethernet Port	N/A	X (Max. 4/Node)	X (Max. 16/Node)
1 Gbps (STS-1) Ethernet Port	N/A	X(Max. 12/Node)	X (Max. 32/Node)
1 Gbps (STS-3c) Ethernet Port	N/A	X (Max. 4/Node)	X (Max. 16/Node)
1 Gbps (STS-12c) Ethernet Port	N/A	N/A	X (Max. 4/Node)
1 Gbps (STS-24c) Ethernet Port	N/A	N/A	X (Max. 2/Node)

By using the existing OC-3 or OC-12 Service and cross-connection capability, OC-3 point-to-point service may connect to an OC-3 port of an OC-12 or OC-48 ring, or OC-12 point-to-point service may connect to an OC-12 port of an OC-48 ring located in a Telephone Company CO.

An OC-3 port will permit the connection of STS-1 channels to other STS-1 channels across the OC-12 or OC-48 Dedicated SONET Ring Service, subject to the overall ring capacity limits described in 26.3(A)(7), following. Also, an STS-1 channel with DS1 payload mapping accessing an OC-12 Dedicated SONET Ring using an OC-3 port may be connected to the Optical-to-Electrical DS1 Add/Drop Capability for the purpose of connecting up to 28 DS1 ports. An STS-1 channel with DS3 payload mapping accessing the OC-12 or OC-48 Dedicated SONET Ring using an OC-3 port may individually connect to a DS3 or EC-1 port.

(1) Optical to Electrical DS1 Add/Drop Capability as described in 26.3(A)(5) is needed along with an OC-3 port.

(2) OC-3 and OC-3c ports support both OC-3 and OC-3c bandwidths. OC-12 and OC-12c ports support both OC-12 and OC-12c bandwidths. OC-48 and OC-48c ports support both OC-48 and OC-48c bandwidths.

Certain material previously appearing on this page now appears on 1st Revised Page 26-6.1.

(This page filed under Transmittal No. 142)

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(3) Ports (Cont'd)

When a customer orders a Re-Map node, a minimum number of Re-Map ports must be equipped;

OC-3	28 DS1 Re-Map ports, or 1 DS3 Re-Map port
OC-12	28 DS1 Re-Map ports, or 3 DS3 Re-Map ports, or 1 OC-3 or OC-3c Re-Map port
OC-48	28 DS1 Re-Map ports, or 3 DS3 Re-Map ports, or 1 OC-3 or OC-3c Re-Map port or 1 OC-12 Re-Map port

Re-Map node ports must be ordered in incremental blocks as described below:

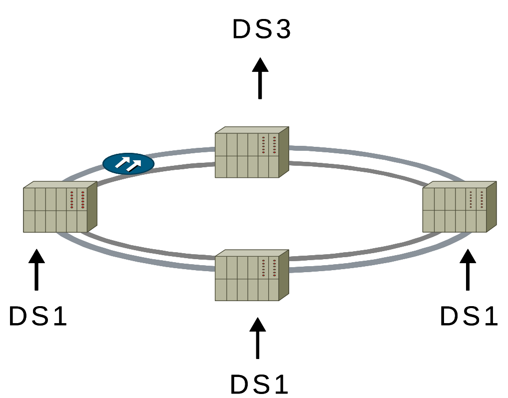
Port Type

	DS1	**DS3**	**OC-3 or OC-3c**	**OC-12 or OC-12c**
OC-3 Ring	28, 56 or 84 (multiples of 28)	1, 2, or 3	N/A	N/A
OC-12 Ring	28, 56 or 84 (multiples of 28)	3, 6, 9, or 12	1, 2, 3, or 4	N/A
OC-48 Ring	28, 56 or 84 (multiples of 28)	3, 6, 9... or 48	1, 2, 3... or 16	1, 2, 3 or 4

An OC-12 or OC-48 ring utilizing Re-Map requires an OC-3 or OC-3c Re-Map port and DS1 Re-Map Add/Drop Capability to support DS1 port types. (An OC-3 or OC-3c Re-Map port and DS1 Re-Map Add/Drop Capability supports up to 84 DS1's.) (M)

Transmux

DS3 Transmux is available on all speeds and provides the ability to aggregate multiple DS1s to a DS3 within the SONET Ring and also on a single card. DS1s are aggregated across the SONET network and terminated into a single DS3 card at a ring node. The hand-off will be a channelized DS3. Aggregation of DS1s can occur across multiple DS3/STSs. (T) (M)



(M)

Certain material previously appearing on this page now appears on 2nd Revised Page 26-9.
Certain material appearing on this page previously appeared on Original Page 26-6.1.

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(4) Mileage (M)

Mileage is the total airline distance between the serving wire center of each node involved on the ring. A one-mile minimum will be billed between nodes. A two-node ring configuration has a two-mile minimum - one mile from the wire center node to the customer premises node, and one mile from the customer premises node to the wire center node.

(5) Optical to Electrical DS1 Add/Drop Capability[1]

This option allows an electrical DS1 to be derived from an optical OC-12 or OC-48 ring by using this capability to add/drop the electrical DS1 from an OC-3 port. The Optical-to-Electrical DS1 Add/Drop Capability charge is applied when the 85th DS-1 port is required per OC-12 node. Additional charges will apply per each subsequent increment of 84 DS-1 ports. (M) (N) (M)

(6) Dedicated SONET Ring Regenerator

Regenerators provide essential detection and retransmission of SONET Optical 155.52 Mbps, 622.08 Mbps and 2488.32 Mbps signals between nodes. Regenerators will only be provided as required by the Telephone Company when actual fiber facility distances between nodes exceed inter-nodal design limits (typically 20 to 25 miles). Regenerators will be located exclusively in Telephone Company COs, and do not allow ports to access customer service connections.

(7) Dedicated SONET Ring Connection Capacity

Maximum transport capacity of OC-3, OC-12 and OC-48 Dedicated SONET Ring Service is characterized by the total quantity of individual port-to-port connections allowed between all nodes on the ring. The DS3 Port connections shown below in this section can be exchanged with EC-1 Port connections.

For OC-3 Dedicated SONET Ring Service, the maximum ring capacity will be equal to one of the following combinations:

DS3 Port to DS3 Port Connections		DS1 Port to DS1 Port Connections
Three	and	None
Two	and	Up to 28
One	and	Up to 56
None	and	Up to 84

An OC-3 Sub-ring provided as part of OC-12 or OC-48 Dedicated SONET Ring Service has a maximum capacity equal to one of the above combinations.

For OC-3 Dedicated SONET Ring Service and OC-3 Sub-rings as part of OC-12 or OC-48 Dedicated SONET Ring Service, individual DS1 port-to-DS1 port and DS3 port-to-DS3 port connection capacities may be incrementally distributed between nodes on the ring in any manner.

[1] Optical to Electrical DS1 Add/Drop Capability as described in 26.3(A)(5)is needed along with an OC-3 port. (M) (M)

Certain material appearing on this page previously appeared on Original Page 26-8.

26. Dedicated SONET Ring Service (Cont'd) (N)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(7) Dedicated SONET Ring Connection Capacity (Cont'd)

For OC-12 Dedicated SONET Ring Service, the maximum ring capacity will be equal to one of the following combinations:

DS3 Port to DS3 Port Connections		DS1 Port to DS1 Port Connections
Twelve	and	None
Eleven	and	One Group of 28
Ten	and	Two Groups of 28 (56)
Nine	and	Three Groups of 28 (84)
Eight	and	Four Groups of 28 (112)
Seven	and	Five Groups of 28 (140)
Six	and	Six Groups of 28 (168)
Five	and	Seven Groups of 28 (196)
Four	and	Eight Groups of 28 (224)
Three	and	Nine Groups of 28 (252)
Two	and	Ten Groups of 28 (280)
One	and	Eleven Groups 28 (308)
None	and	Twelve Groups 28 (336)

An OC-12 Sub-ring provided as part of OC-48 Dedicated SONET Ring Service has a maximum capacity equal to one of the above combinations.

For OC-12 Dedicated SONET Ring Service and OC-12 Sub-rings as part of OC-48 Dedicated SONET Ring Service, individual DS1 port-to-DS1 port connection and DS3 port-to-DS3 port connection capacities may be incrementally distributed between nodes on the ring in any manner.

OC-12 Dedicated SONET Ring Service will also provide capability for node-to-node connection of STS-1 or STS-3c channels using OC-3 or OC-3c ports on the OC-12 ring. Each STS-1 to STS-1 channel connection or STS-1 channel to DS3 port connection requested by the customer will reduce the remaining ring capacity by the equivalent of one DS3 port-to-DS3 port connection or 28 DS1 port-to-DS1 port connections. Each STS-3c to STS-3c channel connection requested by the customer will reduce the remaining ring capacity by the equivalent of three DS3 port-to-DS3 port connections or 84 DS1 port-to-DS1 port connections.

An OC-3 Sub-ring provided as part of an OC-12 Dedicated SONET Ring Service reduces the remaining OC-12 ring capacity by the equivalent of three DS3 port-to-DS3 port connections or 84 DS1 port-to-DS1 port connections. (N)

ACCESS SERVICE

26. Dedicated SONET Ring Service (Cont'd) (N)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(7) Dedicated SONET Ring Connection Capacity (Cont'd)

For OC-48 Dedicated SONET Ring Service, the maximum ring capacity will be equal to one of the following combinations:

DS3 Port-to-DS3 Port Connections		**DS1 Port-to-DS1 Port Connections**
Forty-eight	and	None
Forty-seven	and	One Group of 28
Forty-six	and	Two Groups of 28 (56)
Forty-five	and	Three Groups of 28 (84)
Forty-four	and	Four Groups of 28 (112)
Forty-three	and	Five Groups of 28 (140)
Forty-two	and	Six Groups of 28 (168)

DS3 Port-to-DS3 Port Connections		**DS1 Port-to-DS1 Port Connections**
Forty-one	and	Seven Groups of 28 (196)
Forty	and	Eight Groups of 28 (224)
Thirty-nine	and	Nine Groups of 28 (252)
Thirty-eight	and	Ten Groups of 28 (280)
Thirty-seven	and	Eleven Groups of 28 (308)
Thirty-six	and	Twelve Groups of 28 (336)
Continuing down the scale to:		
None	and	Forty-eight Groups of 28 (1344)

For OC-48 Dedicated SONET Ring Service, individual DS1 port-to-DS1 port connection capacities may be distributed only in incremental groups of 28 between any two nodes on the ring. Individual DS3 port-to-DS3 port connection capacities may be incrementally distributed between nodes on the ring in any manner.

OC-48 Dedicated SONET Ring Service also provides capability for node-to-node connection of STS-1 or STS-3c channels using OC-3 or OC-12, 100 Mbps Ethernet and 1 Gbps Ethernet ports on the OC-48 ring. Each STS-1 to STS-1 channel connection or STS-1 channel to DS3 port connection requested by the customer reduces the remaining ring capacity by the equivalent of one DS3 port-to-port connection or 28 DS1 port-to-port connections. Each STS-3c to STS-3c channel connection requested by the customer reduces the remaining ring capacity by the equivalent of three DS3 port-to-DS3 port connections or 84 DS1 port-to-DS1 port connections.

An OC-3 Sub-ring provided as part of OC-48 Dedicated SONET Ring Service reduces the remaining OC-48 ring capacity by the equivalent of three DS3 port-to-DS3 port connections or 84 DS1 port-to-DS1 port connections. (N)

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(7) Dedicated SONET Ring Connection Capacity (Cont'd)

OC-48 Dedicated SONET Ring Service also provides capability for node-to-node connections of STS-12c channels using OC-12 ports on the OC-48 ring. Each STS-12c to STS-12c channel connection requested by the customer reduces the remaining ring capacity by the equivalent of twelve DS3 port-to-DS3 port connections or 336 DS1 port-to-DS1 port connections.

An OC-12 Sub-ring provided as part of OC-48 Dedicated SONET Ring Service reduces the remaining OC-48 ring capacity by the equivalent of twelve DS3 port-to-DS3 port connections or 336 DS1 port-to-DS1 port connections.

Ethernet over SONET (EoS) allows the efficient transport of Ethernet frames using SONET. Ethernet ports will be available in bandwidths up to the Ethernet interface of 100 Mbps or 1 Gbps on Dedicated SONET Ring Service as set forth in Section 26. As SONET bandwidths will be preset, the customer will be unable to transmit data (including any bursts) beyond these preset SONET bandwidths. Interfaces of 100 Mbps Ethernet or 1 Gbps Ethernet are available only to customers with Next Generation SONET equipment.

(8) Electrical Connection – Level 1 (EC-1) (N)

EC-1 is an electrical interface that can transport up to 51.84 Mb of bandwidth in a concatenated format. The EC-1 port is available on an OC-3, OC-12 and OC-48 ring. For the above connection capacity charts, the quantity of EC-1 ports is equivalent to the connection capacity of a DS-3. (N)

(N)

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(B) Term Pricing Plan

(1) General Description

Dedicated SONET Rings are available for either 36- or 60-month Term Pricing Plan (TPP) periods. Monthly recurring charges apply for the nodes, ports, mileage between nodes, and regenerators.

(2) Nonrecurring Charges

Nonrecurring Charges, as set forth in 26.4, following, will apply for those arrangements ordered under the Dedicated SONET Ring TPP.

(3) Rate Flow Through

Any decreases in recurring tariff rates will be passed on to customers who participate in the TPP. The Telephone Company will notify customers participating in the TPP when monthly rates are decreased.

Should the Telephone Company increase its rates during the TPP period, the customer will pay the increased rates as long as the increase does not exceed the original tariffed rate in effect at the time the customer established service under the TPP.

(4) Subsequent Activity on the Ring

If new rate elements, as described in Section 26.3(A), are added after the initial installation of the dedicated ring, the new rate element will carry the same TPP rate as the initial ring. All new rate element's terms will be independent of the term of the initial ring. If a new rate element is added during the last 12 months or less of a TPP, the customer will be billed the initial TPP ring rate for a minimum period of 12 months. If the ring is disconnected before the new rate element's term expires, termination liability for that new rate element will apply.

(N)

26. Dedicated SONET Ring Service (Cont'd) (N)

26.3 Rate Regulations (Cont'd)

(B) Term Pricing Plan (Cont'd)

(5) Renegotiation

The customer may choose to terminate an existing TPP any time prior to the end of the 36- or 60-month period and negotiate a new TPP without termination liability, provided the new TPP meets the following requirements:

(a) The minimum period for the new TPP must be greater than the remaining period currently in effect, and

(b) The renegotiated TPP will be based on the current rates.

An existing 36-month TPP may be converted into a 60-month TPP without termination liabilities, provided that:

- the 36-month TPP has not ended, and
- the converted TPP must be based upon the rates that are currently in effect and otherwise available to all customers.

When the customer converts to a 60-month TPP, actual time in service for the original TPP will be applied to the new TPP. However, no credits or refunds will apply for the billing of actual time in service for the previous TPP.

The customer must meet the following to qualify for the renegotiation clause, without incurring Termination Liability charges.

(1) The customer subscribes to a new higher speed Term Pricing Plan period that is equal to, or greater than 36 months;

(2) The expiration date for the new Term Pricing Plan period is beyond the end of the original Term Pricing Plan period;

(3) No lapse in service occurs;

(4) Nonrecurring Charges will apply, when applicable;

(5) The monthly rates for the new service will be those rates in effect at the time the new service is installed;

(6) The new service is provided between the same customer locations and with the same customer of record as the disconnected service;

(7) The billed monthly recurring revenue for the new service is equal to or greater than the billed monthly recurring revenue remaining in the service being converted; and

(8) Spare facilities and equipment must be available or a nonrecurring upfront payment, which is a Special Construction charge, may apply. (N)

26. Dedicated SONET Ring Service (Cont'd) (N)

26.3 Rate Regulations (Cont'd)

(B) Term Pricing Plan (Cont'd)

(6) Renewal

(a) The customer must provide the Telephone Company with a written notice of intent to renew a TPP no later than 60 days prior to its expiration.

(b) The customer will continue to be billed at the current TPP rates.

(c) The new TPP must be for a 36- or 60-month period.

(d) If the customer does not renew the TPP or does not notify the Telephone Company of its intent to renew the TPP, the customer's service will convert to the Monthly Extension rate until the customer cancels or renews the service with a new TPP term.

(7) Termination of Service

If a customer cancels a service order or terminates services before the completion of the term for any reason other than a service interruption, the customer agrees to pay the Telephone Company termination liability charges, which are defined below. These charges shall become due as of the effective date of the cancellation or termination, and are payable within 30 days of the invoice date, subject to interest penalty on the unpaid balance.

Customer's termination liability for cancellation or termination of service shall be equal to:

(a) All waived and/or unpaid nonrecurring charges, plus

(b) 50% of all recurring charges for the balance of the customer's term.

(C) Moves

(1) Moves within a Customer's Premises

A move involves a change in the physical location of the Point of Termination on the customer's premises. Such moves will be treated as an extension of Dedicated SONET Ring facilities. Extension of Dedicated SONET Ring facilities will be provided, at the customer's request, on a time-sensitive charge basis. The labor rates that apply are set forth in Section 13, preceding (Rates and Charges). There will be no change in the TPP term requirements.

(2) Moves of Dedicated SONET Ring Nodes

Moves of Dedicated SONET Ring nodes requested by the customer will be billed time and material for charges incurred. No change in the billing period is required. Termination Liability charges will not apply to moves of Dedicated SONET Ring nodes. If an additional location, monthly node is placed to facilitate migration of services to the new node location, monthly node charges will apply to both the additional node and the node being moved during the period for service transition.

(N)

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(D) Upgrades of Dedicated SONET Ring Service to Higher Speed Services

Customers with 36- or 60-month Dedicated SONET Ring Service TPPs may at any time upgrade to a higher speed service (e.g., OC-3 to OC-12), without incurring the Termination Liability charge, providing the following criteria are met:

(1) The customer subscribes to a new higher speed Term Pricing Plan period that is equal to, or greater than, 36 months;

(2) The expiration date for the new Term Pricing Plan period is beyond the end of the original Term Pricing Plan period;

(3) No lapse in service occurs;

(4) Nonrecurring Charges will apply; (Tx)

(5) The monthly rates for the new service will be those rates in effect at the time the new service is installed;

(6) The new service is provided between the same customer locations and with the same customer of record as the disconnected service;

(7) The billed monthly recurring revenue for the new service is equal to or greater than the billed monthly recurring revenue remaining in the service being converted; (Sy)

(8) Spare facilities and equipment must be available or a nonrecurring upfront payment, which is a Special Construction charge, will apply; and (Tx)

(9) Existing service must have been in place for a minimum of 12 months.[1] (Sy) (Sy)

(1) This criteria does not apply to term plans purchased prior to 03/18/06. (Cx)
(x) Issued under authority of Special Permission No. 06-016 of the F.C.C.
(y) Reissued material filed under Transmittal No. 121 became effective on 03/18/06.

(N)

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(E) Conversion to Dedicated SONET Ring Service from Other Services

Customers may convert to one of the following existing services to Dedicated SONET Ring Service, without incurring the Termination Liability charges for those existing services, as long as the minimum requirements in that section of the tariff for waiver of the Termination Liability charges are met. The DS3 and OCN Point-to-Point Service Tariffs will depict applicable termination liability exemptions.

The following services found in F.C.C. No. 1 may be upgraded to Dedicated SONET Ring:

(1) Broadband Circuit Service: Section 20.2(J)
(2) Optical Carrier Network Point-to-Point: Section 21.2(I)

The customer must meet the following to qualify for conversions without incurring Termination Liability charges.

(1) The customer subscribes to a new higher speed Term Pricing Plan period that is equal to, or greater than, 36 months;

(2) The expiration date for the new Term Pricing Plan period is beyond the end of the original Term Pricing Plan period;

(3) No lapse in service occurs;

(4) Nonrecurring Charges will apply, when applicable;

(5) The monthly rates for the new service will be those rates in effect at the time the new service is installed;

(6) The new service is provided between the same customer locations and with the same customer of record as the disconnected service;

(7) The billed monthly recurring revenue for the new service is equal to or greater than the billed monthly recurring revenue remaining in the service being converted; and

(8) Spare facilities and equipment must be available or a nonrecurring upfront payment, which is a Special Construction charge, may apply.

(N)

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(F) Shared Network Arrangement[1]

A Shared Network Arrangement is a service offering that enables a customer ("Service User") to connect subtending services to an OC-3, OC-12 or OC-48 Dedicated SONET Ring service of another customer (the "Host Subscriber"), with the Telephone Company maintaining separate billing for each. Each customer will be billed for those rate elements associated with their own portion of the service configuration. The Host Subscriber will be responsible for all Dedicated SONET Ring Service rate elements (for example, node, ports and mileage, etc). Under no circumstances will the rates or charges for individual rate elements be split. This offering is limited to service configurations where a Service User orders a subtending service dropped from a Host Subscriber's Dedicated SONET Ring wire center node.

Under the Shared Network Arrangement, the Telephone Company may share record information with the Host Subscriber pertaining to the services of other users of the shared network. Such disclosure will be under the sole discretion of the Telephone Company and is necessary to perform billing reconciliation and/or other functions required in connection with maintaining account records.

(G) Re-Map Service

Re-Map Service is provided in conjunction with Dedicated SONET Ring Service and allows for a pre-defined set of services to be re-routed by the Telephone Company from one customer premises node to another customer premises node (defined as a "Re-Map node") in the event of a customer premises disaster. Re-Map service will be tested at initial installation and once each year thereafter. Additional testing can be requested and will be charged on a per test basis. Activation upon customer request in the event of an emergency will be charged on a per occurrence basis.

Once the customer notifies the Telephone Company that they are ready to receive signals to the Re-Map node site, the Telephone Company will Re-Map up to 50 circuits within the initial hours and 20 circuits every hour thereafter. The Emergency Activation Nonrecurring Charge will not be applied if the first 50 circuits are not Re-Mapped within 4 hours due to a Telephone Company-caused delay.

Re-Map Service is available on Self-Healing Uni-Directional Path (C)
Switched Rings (UPSR) only. (C)

(1) Effective 05/26/06, this regulation is limited to existing customers. For new customers purchasing Shared Network Arrangement, terms and conditions set forth in Section 5.2 (D), will apply.

26. Dedicated SONET Ring Service (Cont'd)

26.3 Rate Regulations (Cont'd)

(G) Re-Map Service (Cont'd)

Re-Map testing or activation for OC-3 or OC-12 DDN service requires a minimum of one DS1 (VT1.5), or 1 DS3 (STS-1) between one customer premises node and the Re-Map node. Re-Map testing or activation for OC-12 or OC-48 service requires a minimum incremental group from 1 to 28 DS1s or one DS3 (equals one STS-1) between one customer premises node and the Re-Map node.

The emergency Re-Map activation configuration will be maintained for up to 30 days. After 30 days, if the customer wishes to maintain the emergency configuration, the Emergency Activation Nonrecurring Charge will be applied once for each 30 day additional period.

(H) Shared Use

Shared Use occurs when Switched Access and Special Access services are provided over the same analog or digital high capacity facility or SONET based service through a common interface. The regulations governing the provision of Shared Use are set forth in 6.7.12 and 7.2.7, preceding.

While Shared Use of SONET facilities (i.e., Dedicated SONET Ring Service) for Switched Access Transport is permitted, the SONET Special Access facilities continue to be rated as Special Access.

(I) STS-1 Service (N)

The STS-1 circuit allows the efficient transport of up to 51.84 Mbps of bandwidth across Dedicated SONET Ring utilizing EC-1 (Electrical Connection – Level 1) ports on the dedicated service. While the EC-1 port is comparable to the DS-3 port as far as the connection capacity per STS, the STS-1 circuit utilizes the entire bandwidth of the STS (51.84 Mbps) while the DS-3 uses 44.76 Mbps of the STS. The STS-1 circuit is available via EC-1 ports on OC-3, OC-12 and OC-48 rings. (N)

26. Dedicated SONET Ring Service (Cont'd)

26.4 Rates and Charges

(A) Node

Description	USOC	36 Months	60 Months	Monthly Extension
Per Node:				
OC-3				
-Customer Premises				
First	FP5CX	$1,650.00	$1,300.00	$2,120.00
First Re-Map	RN8CX	1,770.00	1,415.00	2,120.00
Additional	FP5CA	1,000.00	800.00	1,200.00
Additional Re-Map	RN8CA	1,000.00	800.00	1,200.00
-Central Office	FC5CX	1,000.00	800.00	1,200.00
OC-12				
-Customer Premises				
First	FP5DX	3,850.00	3,080.00	4,620.00
First Re-Map	RN8DX	3,850.00	3,080.00	4,620.00
Additional	FP5DA	2,620.00	2,095.00	3,140.00
Additional Re-Map	RN8DA	2,620.00	2,000.00	3,140.00
-Central Office	FC5DX	2,620.00	2,095.00	3,140.00
OC-48				
-Customer Premises				
First	FP5EX	5,890.00	4,715.00	7,070.00
First Re-Map	RN8EX	5,890.00	4,715.00	7,070.00
Additional	FP5EA	5,240.00	4,190.00	6,280.00
Additional Re-Map	RN8EA	5,240.00	4,190.00	6,280.00
-Central Office	FC5EX	5,240.00	4,190.00	6,280.00

(N)

Description	USOC	36 Months	60 Months	Monthly Extension
Per node:				
Flex-Ring				
Customer Premise node for 2nd ring double on existing				
OC-12	GP5FX	2,200.00	1,800.00	2,900.00
OC-48	GP5GX	3,900.00	3,000.00	4,500.00
Central Office node for 2nd ring double on existing				
OC-12	GC5FX	1,850.00	1,500.00	2,200.00
OC-48	GC5GX	3,500.00	2,800.00	4,100.00

(N)

26. Dedicated SONET Ring Service (Cont'd)

26.4 Rates and Charges (Cont'd)

(A) Node (Cont'd)

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation -Per Node		
Customer Premises	NRBS7	$400.00
Customer Premises Re-Map	NRBS7	400.00
Central Office	NRBSV	325.00

(B) OC-48 Add/Drop Capability

Description	USOC	36 Months	60 Months	Monthly Extension
Per Arrangement	MPEFX	$3,510.00	$2,895.00	$4,350.00
Re-Map per arrangement	M8RFX	3,510.00	2,895.00	4,350.00
Nonrecurring charges for subsequent installation per arrangement	NRBS8			490.00

(C) Ports

Description	USOC	36 Months	60 Months	Monthly Extension	
- Per Port (excluding Re-Map)					
DS1 at OC-3 Node	SPRAX	$ 50.00	$ 45.00	$ 65.00	
DS3 at OC-3 Node	SPRBX	120.00	110.00	150.00	
EC-1 at OC-3 Node	S9NSX	120.00	110.00	150.00	(N)
OC-3 at OC-3 Node	S9T1X	350.00	300.00	550.00	
DS3 at OC-12 Node	SPRCX	120.00	110.00	150.00	
EC-1 at OC-12 Node	S9NUX	120.00	110.00	150.00	(N)
OC-3 or OC-3c at OC-12 Node	SPREX	150.00	135.00	190.00	
DS1 at OC-12 Node [1][2]	SPRGX	50.00	45.00	65.00	
OC-12 at OC-12 Node	S9T2X	850.00	725.00	1,050.00	

[1] Optical to Electrical DS1 add/drop capability as described in 26.3(A)(5)is needed along with an OC-3 port.

[2] The Optical-to-Electrical DS1 add/drop capability will be charged when the 85th DS1 port is applied per OC-12 node.

26. Dedicated SONET Ring Service (Cont’d)

26.4 Rates and Charges (Cont’d)

(C) Ports (Cont’d)

Description	USOC	36 Months	60 Months	Monthly Extension	
-Per Port (excluding Re-Map)					
OC-12 or OC-12c at OC-48 Node	SPRHX	375.00	360.00	475.00	
OC-3 or OC-3c at OC-48 Node	SPRJX	150.00	135.00	190.00	
DS3 at OC-48 Node	SPRKX	120.00	110.00	150.00	
EC-1 at OC-48 Node	S9NVX	120.00	110.00	150.00	
DS1 at OC-48 Node [(1)]	SPRLX	50.00	45.00	65.00	
OC-48 at OC-48 Node	S9T3X	1,900.00	1,650.00	2,850.00	
DS3 w/Transmux	S4NGX	250.00	200.00	300.00	(D)
100 Mbps Ethernet (STS-1) at OC-3 Node	S9TAX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-1) at OC-12 Node	S9TBX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-3c) at OC-12 Node	S9TCX	180.00	160.00	280.00	
1 Gbps Ethernet (STS-1) at OC-12 Node	S9TDX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-3c) at OC-12 Node	S9TEX	250.00	200.00	350.00	
100 Mbps Ethernet (STS-1) at OC-48 Node	S9TGX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-3c) at OC-48 Node	S9THX	180.00	160.00	280.00	
1 Gbps Ethernet (STS-1) at OC-48 Node	S9TJX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-3c) at OC-48 Node	S9TKX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-12c) at OC-48 Node	S9TLX	600.00	500.00	875.00	
1 Gbps Ethernet (STS-24c) at OC-48 Node	S9TMX	900.00	850.00	1500.00	

[(1)] Optical to Electrical DS1 add/drop capability as described in 26.3(A)(5)is needed along with an OC-3 port.

(D)
(D)

26. Dedicated SONET Ring Service (Cont'd)

26.4 Rates and Charges (Cont'd)

(C) Ports (Cont'd)

Description	USOC	36 Months	60 Months	Monthly Extension	
- Per port (Re-Map) Per DS1 Re-Map Block (consists of 28 DS1 ports) at					
OC-3 Ring	P8RAX	1,400.00	1,260.00	1,820.00	
OC-12 Ring	P8RGX	1,400.00	1,260.00	1,820.00	
OC-48 Ring	P8RLX	1,400.00	1,260.00	1,820.00	
Per DS3 Re-Map Port					
OC-3 Ring	P8RBX	120.00	110.00	150.00	
Per DS3 Re-Map Block (consists of 3 DS3 ports) at					
OC-12 Ring	P8RCX	360.00	330.00	450.00	
OC-48 Ring	P8RKX	360.00	330.00	450.00	
Per DS3 Transmux Re-Map[1]	RN7TX	250.00	200.00	300.00	(N)
Per EC-1 Re-Map Port					
OC-3 Ring	S9N6X	120.00	110.00	150.00	
OC-12 Ring	S9N8X	120.00	110.00	150.00	
OC-48 Ring	S9N9X	120.00	110.00	150.00	
Per OC-3,OC-3c Re-Map Port at					
OC-12 Ring	P8REX	150.00	130.00	190.00	
OC-48 Ring	P8RJX	150.00	130.00	190.00	
Per OC-12,OC-12c Re-Map Port at OC-48 Ring	P8RHX	375.00	350.00	475.00	

Description	USOC	Nonrecurring Charge	
Nonrecurring charges for subsequent installation			
- Per port type			
OC-48 or OC-48c	NRBN9	$425.00	
OC-12 or OC-12c	NRBSZ	400.00	
OC-3 or OC-3c	NRBSW	400.00	
EC-1	NRBSX	385.00	
DS3	NRBSX	385.00	
DS3 w/Transmux	NRBSX	385.00	(D)
DS1	NRBSY	350.00	
100 Mbps Ethernet STS-1	NRM63	385.00	
100 Mbps Ethernet STS-3c	NRM64	385.00	
1 Gbps Ethernet STS-1	NRM65	425.00	
1 Gbps Ethernet STS-3c	NRM66	425.00	
1 Gbps Ethernet STS-12c	NRM67	425.00	
1 Gbps Ethernet STS-24c	NRM68	425.00	

(D)

[1] Available for rings established on or after 10/17/06. (N)

26. Dedicated SONET Ring Service (Cont'd) (N)

26.4 Rates and Charges (Cont'd)

(D) Mileage

Description	USOC	36 Months	60 Months	Monthly Extension
Per mile between nodes by ring type				
OC-3	1YAZX	$260.00	$220.00	$330.00
OC-12	1YAZX	260.00	220.00	330.00
OC-48	1YAZX	260.00	220.00	330.00

(E) Optical to Electrical DS1 Add/Drop Capability

Description	USOC	36 Months	60 Months	Monthly Extension
Per OC-3 to DS1 Add/Drop	MXJDX	875.00	700.00	1,050.00
Re-Map				
Per OC-3 to DS-1 Add/Drop	M8RDX	875.00	700.00	1,050.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation		
-Per DS1 off OC-12, OC-48	NRBS6	$490.00

(N)

26. Dedicated SONET Ring Service (Cont'd)

26.4 Rates and Charges (Cont'd)

(F) Dedicated SONET Ring Regenerator

Description	USOC	36 Months	60 Months	Monthly Extension
OC-3				
Each (as required)	RGY	$1,000.00	$ 800.00	$1,200.00
OC-12				
Each (as required)	RGY	2,620.00	2,095.00	3,140.00
OC-48				
Each (as required)	RGY	3,275.00	2,620.00	3,930.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation of Regenerator -Each (as required)	NRBS5	$270.00

(G) Shared Network Arrangement

Description	USOC	Nonrecurring Charge
Processing Charge Per Service Order	NRMCL	$30.00

(H) Installation and Rearrangement Charges

Description		Administrative Charge per Order	Design and Central Office Connection Charge, per Initial Ring	
	USOC	ORCMX	NRMCK	
OC-3		$60.00	$600.00	
OC-12		60.00	600.00	
OC-48		60.00	600.00	
STS-1		60.00		(N)

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26. Dedicated SONET Ring Service (Cont'd) (N)

26.4 Rates and Charges (Cont'd)

(I) Re-Map Service

Description	USOC	Nonrecurring Charge
Initial Service Script Establishment/ Test Charge		
Per OC-3 Ring	NRMR1	$2,000.00
Per OC-12 Ring	NRMR1	3,500.00
Per OC-48 Ring	NRMR1	4,500.00
Subsequent Script Activity Charge		
Per OC-3 Ring	NRMR3	1,200.00
Per OC-12 Ring	NRMR3	2,100.00
Per OC-48 Ring	NRMR3	2,700.00
Scheduled Test Charge		
Per OC-3 Ring	NRMR5	1,600.00
Per OC-12 Ring	NRMR5	2,800.00
Per OC-48 Ring	NRMR5	3,600.00
Emergency Re-Map Activation -per request		
Per OC-3 Ring	NRMR7	1,800.00
Per OC-12 Ring	NRMR7	3,150.00
Per OC-48 Ring	NRMR7	4,050.00

(N)

ACCESS SERVICE

27. OC-192 Dedicated SONET Ring Service

27.1 General Description

(A) Basic Service Description

OC-192 Dedicated SONET Ring Service is a 9.953 Gbps transport service. OC-192 is designed for transport of lower speed services, e.g. DS3, OC-3 or OC-3c, OC-12 or OC-12c, OC-48 or OC-48c and 1 Gbps Ethernet. The dedicated ring is designed to provide increased reliability and functionality by connecting multiple customer locations and specified Telephone Company Central Offices (COs) via self-healing Bi-directional Line Switched Rings (BLSR). OC-192 is a logical extension of the existing SONET products OC-3, OC-3c, OC-12, OC-12c, OC-48 and OC-48c.

The dedicated ring can connect multiple (between 2 and 16) customer designated locations and Telephone Company COs, as described in Section 27.1(B)(1), following, where SONET facilities and equipment are available.

Rate elements include nodes, ports, mileage, regenerators, and add/drop capability. Rates are specified in 27.4, following.

Rates and charges for OC-192 Dedicated SONET Ring Service are set forth in Section 27.4, following, with the exception of the services provided by the Telephone Company in the Metropolitan Statistical Areas (MSAs) in which the Telephone Company has received Phase II pricing flexibility pursuant to Subpart H of Part 69 of the Commission's Rules. The rates and charges for the OC-192 Dedicated SONET Ring Service in the MSAs that have received Phase II pricing flexibility are set forth in Section 22.

(D)

(D)

ACCESS SERVICE

(N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.1 General Description (Cont'd)

(B) Service Provisioning

(1) Manner of Provisioning

All customers will be served from the nearest suitably equipped end office. Information pertaining to end offices equipped to provide OC-192 Dedicated SONET Ring Service is set forth in the National Exchange Carrier Association, Inc. (NECA) Tariff F.C.C. No. 4. OC-192 Dedicated SONET Ring Service will be provided subject to the availability and limitations of the Telephone Company's wire centers and outside plant facilities. OC-192 Dedicated SONET Ring Service is only available where technical capabilities permit such facility distance and type of physical plant. Where facilities are not available, Special Construction charges may apply.

(2) Limitations

The Telephone Company does not undertake to originate data, but offers the use of its OC-192 Dedicated SONET Ring Service, where available, to customers for the purpose of transporting data originated by the customer or a third party.

Unprotected services may be interrupted to repair other circuits. In cases where the customer orders OC-192 Dedicated SONET Ring Service with an unprotected 2-fiber service interface, the Telephone Company may provision this unprotected service, with other unprotected services, via a multi-port circuit card. If one unprotected service on the card incurs an outage, the Telephone Company may repair the 2-fiber service interface device by replacing the card, which may temporarily interrupt service on any other unprotected tributary circuits that subtend this same multi-port circuit card. In the event of a service interruption, credit allowance will be provided for the service that suffered the unplanned outage, as outlined in Section 27.1(3), following.

The Telephone Company will maintain and repair the OC-192 Dedicated SONET Ring Service which it furnishes, and will provide the customer reasonable notification of service affecting activities that may occur in the normal operation of business.

(N)

(N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.1 General Description (Cont'd)

(B) Service Provisioning (Cont'd)

(3) Allowance for Service Interruptions

Dedicated Rings provide Automatic Protection Switching to assure 100 percent availability of the services on the ring. A service interruption will result in a credit equal to one month's bill for the individual port-to-port connection involved. An interruption of service will start when an inoperative service is reported to the Telephone Company and end when the service is operative. In any month, as a result of an interruption, the total credit per rate element of the interrupted service may not exceed 100 percent of the monthly charge for that particular rate element.

In the event that protected facilities do not exist, including dual entrance facilities, and the customer does not utilize Special Construction to provide protected facilities, the unprotected OC-192 ring will be provided. The SONET Assurance Warranty states that if any unavailability caused by the Telephone Company is experienced and reported by a customer, the Telephone Company will not rebate the service monthly recurring charge.

(C) Responsibility of The Telephone Company

The Telephone Company will provision and maintain OC-192 Dedicated SONET Ring Service for the customer up to and including the Network Interface (NI).

(D) Rights of The Telephone Company

The Telephone Company will not provision OC-192 Dedicated SONET Ring Service if it has reasonably determined that (a) it is not technically feasible over existing facilities, or (b) it will cause interference problems within The Telephone Company's network or other facilities.

(E) Responsibility of Customer

The customer is responsible for providing compatible customer provided equipment (CPE) to be used for connection to OC-192 Dedicated SONET Ring Service.

(N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.2 Technical Specifications

Technical specifications for OC-192 Dedicated SONET Ring Service are listed in the following Telephone Company technical publications:

(1) AM TR-TMO-000101 Ameritech Digital Service Transmission Parameters for Performance

(2) AM TR-NIS-000111 Ameritech OC-3, OC-12, OC-48 and OC-192 Service Interface Specifications

(3) TP 76839 SONET Transmission Requirements Performance and Interface Specification

(4) SBC-TP-76412-000 Customer Interface Standards for 100 Mbps and Higher Excluding SONET Interfaces

27.3 Rate Regulations

(A) Rate Elements

(1) Nodes

The ring will provide connectivity to multiple customer designated locations (nodes). However, a ring must have a minimum of two nodes. At least one node must be a Telephone Company CO node. A maximum of 16 nodes, including regenerators, will be allowed per ring. The Telephone Company reserves the right to determine the order of the nodes on the ring[1].

When a customer premises node is located in the same building as a CO node, diversity between the two nodes may not be available.

If a customer collocates two customer premises nodes of the same speed, on the same dedicated ring, on the same premises, the additional node will be billed as shown in 27.4, following. This option does not guarantee diversity between these two collocated nodes and the rest of the ring.

The customer will be billed time and material, as set forth in Section 13, for any additional charges incurred by the Telephone Company in locating Telephone Company equipment at the customer premises.

(i) Re-Map Node

A Re-Map node is a ring node that is pre-equipped and dedicated to customer traffic that is re-mapped/re-routed to it by the Telephone Company (upon notification by the customer of a service outage at another customer premises node on the same dedicated ring). (N)

Re-Map is designed as a temporary service for disaster recovery purposes only. No "normal" customer traffic will be added/dropped at the Re-Map node unless the Re-Map service is activated. (N)

[1] A ring node providing an OC-48 connection to a collocation cage can be considered a customer premise node.

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(2) Add/Drop Capability

This provides the capability to add/drop lower speed channels from an OC-192 Dedicated SONET Ring Service node location via OC-48 or OC-12 ports. OC-192 Add/Drop Capability at an OC-192 Dedicated SONET Ring Service node location will support various combinations of service traffic not to exceed 192 STS-1 equivalents, contingent upon limitations of drop port capacity.

(3) Ports

Ports provide access to the ring and to lower speed channels (DS3, EC-1, OC-3, OC-3c, OC-12, OC-12c, OC-48, OC-48c, OC-192, 100 Mbps (STS-1) Ethernet, 100 Mbps (STS-3c) Ethernet, 1 Gbps (STS-1) Ethernet, 1 Gbps (STS-3c) Ethernet, 1 Gbps (STS-12c) Ethernet and 1 Gbps (STS-24c) Ethernet) between nodes. Lower speed channels are accessible at nodes via port terminations. (N)

Ethernet over SONET (EoS) allows the efficient transport of Ethernet frames using SONET. Ethernet ports will be available in bandwidths up to the Ethernet interface of 100 Mbps or 1 Gbps on SONET Ring Services as set forth in respective tariffs. As SONET bandwidths will be preset, the customer will be unable to transmit data (including any bursts) beyond these preset SONET bandwidths. Interfaces of 100 Mbps Ethernet or 1 Gbps Ethernet are available only to customers with Next Generation SONET equipment. Access into the Telephone Company's Ethernet ports must conform to industry standards and specifications as described in technical publication SBC-TP-76412-000.

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(A) Rate Elements (Cont'd)

(3) Ports (Cont'd)

Accepted interfaces are as follows:

	OC-192 Node	
DS1 Ports	x(Max.84/OC-3Port)	(N)
DS3 Ports	x(Max.192/Node)	(T)
EC-1 Ports	x(Max.192/Node)	(N)
OC-3, OC-3c Ports	64	(T)
OC-12, OC-12c Ports	16	(T)
OC-48, OC-48c Ports	4	(T)
OC-192 Ports(1)	x(Max.1/Node)	(C)
100 Mbps (STS-1) Ethernet Ports	48	(N)
100 Mbps (STS-3c) Ethernet Ports	16	(N)
1 Gbps (STS-1) Ethernet Ports	32	(N)
1 Gbps (STS-3c) Ethernet Ports	16	(T)
1 Gbps (STS-12c) Ethernet Ports	2	(T)
1 Gbps (STS-24c) Ethernet Ports	2	(T)

OC-3, OC-3c, OC-12, OC-12c, OC-48 and OC-48c ports may be ordered at CO nodes. Both are available for Service-to-Service Through Connect with Broadband Circuit Service (BCS)* or Optical Carrier Network Point-to-Point Service as set forth in Section 21.

(4) Mileage

Mileage is charged as specified in Section 7.2.1(B). Fractions of a mile are rounded up to the whole mile for rate calculations. A one-mile minimum will be billed between nodes. A two-node ring configuration has a two-mile minimum, one mile from the wire center node to the customer premises node, and one mile from the customer premises node to the wire center node.

(5) Ring Regenerator

Regenerators provide essential detection and retransmission of the SONET Optical 9.953 Gbps signal between nodes. Regenerators will only be provided as required by the Telephone Company when actual fiber facility distances between nodes exceed inter-nodal design limits. Regenerators will be located exclusively in Telephone Company COs, and do not allow ports to access customer service connections.

(6) Electrical Connection – Level 1 (EC-1)

(N)
EC-1 is an electrical interface that can transport up to 51.84 Mb of bandwidth in a concatenated format. The EC-1 port is available on an OC-3, OC-12, OC-48 and OC-192 ring. For the above connection capacity charts, the quantity of EC-1 ports is equivalent to the connection capacity of a DS-3.
(N)

*Effective, January 11, 2002, BCS will no longer be available to customers. Grandfathered BCS Customers will maintain their existing service arrangement until their contract expires unless they choose to convert to another service. No changes to existing BCS service arrangements will be permitted, nor will any renewals be allowed.

(1) OC-192 and OC-192c ports support both OC-192 and OC-192c bandwidths. (N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(B) Dedicated Ring Connection Capacity

Maximum transport capacity of OC-192 Dedicated SONET Ring Service is characterized by the total quantity of individual port-to-port connections allowed between all nodes on the ring.

For OC-192 Dedicated SONET Ring Service, the maximum ring capacity between adjacent nodes is not to exceed 96 STS-1 equivalents.

OC-192 Dedicated SONET Ring Service will provide capability for node-to-node connection of STS-1 or STS-3c channels using OC-3, OC-3c, OC-12, OC-12c, OC-48, OC-48c, 100 Mbps Ethernet or 1 Gbps Ethernet ports on the OC-192 ring. (N)

OC-192 Dedicated SONET Ring Service will provide capability for node-to-node connections of STS-12c channels using OC-12, OC-12c, OC-48, OC-48c or 1 Gbps Ethernet ports on the OC-192 ring.

OC-192 Dedicated SONET Ring Service will provide capability for node-to-node connections of STS-48c channels using OC-48 or OC-48c ports on the OC-192 ring.

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(C) Term Pricing Plan

(1) General Description

OC-192 Dedicated SONET Rings are available for either three or five year Term Pricing Plan (TPP) periods. Monthly recurring charges apply for the nodes, ports and mileage.

(2) Nonrecurring Charges

Nonrecurring Charges, including the Administrative Charge as set forth in 27.4, following, will apply for those arrangements ordered under the OC-192 Dedicated Ring TPP.

(3) Rate Flow Through

Any decreases in recurring tariff rates will be passed on to customers who participate in the TPP. The Telephone Company will notify customers participating in the TPP when monthly rates are decreased.

Should the Telephone Company increase its rates during the TPP period, the customer will pay the increased rates as long as the increase does not exceed the original tariffed rate in effect at the time the customer established service under the TPP.

(4) Subsequent Activity on the Ring

(T)

If new rate elements, as described in Section 27.3(A), are added after the initial installation of the dedicated ring, the new rate element will carry the same TPP rate as the initial ring. All new rate element's terms will be independent of the term of the initial ring. If a new rate element is added during the last 12 months or less of a TPP, the customer will be billed the initial TPP ring rate for a minimum period of 12 months. If the ring is disconnected before the new rate element's term expires, termination liability for that new rate element will apply.

(5) TPP Renegotiation

The customer may choose to terminate an existing TPP at any time prior to the end of the three or five year period, and negotiate a new TPP without termination liability, provided the new TPP meets the following requirements:

(a) The minimum period for the new TPP must be greater than the remaining period currently in effect, and

(b) The renegotiated TPP will be based on the current rates.

ACCESS SERVICE

(N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(C) Term Pricing Plan (Cont'd)

(5) TPP Renegotiation (Cont'd)

When the customer converts to a new TPP, actual time in service for the original TPP will be applied. However, no credits or refunds will apply for the billing of actual time in service for the previous TPP.

(6) Renewal

The customer must provide the Telephone Company with a written notice of intent to renew a TPP no later than 60 days prior to its expiration.

The customer will continue to be billed at the current TPP rates.

If the customer does not renew the TPP, or does not notify the Telephone Company of its intent to renew the TPP, the customer's service will convert to the Monthly Extension rate as set forth in 27.4, following, until the customer cancels or renews the service with a new TPP term. Monthly Extension Rates are not available to new subscriptions.

(N)

(This page filed under Transmittal No. 118)

27. OC-192 Dedicated SONET Ring Service (Cont'd) (N)

27.3 Rate Regulations (Cont'd)

(C) Term Pricing Plan (Cont'd)

(7) Termination of Service

If a customer cancels a service order or terminates services before the completion of the term for any reason whatsoever other than a service interruption, the customer agrees to pay to the Telephone Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination, and are payable within 30 days of the invoice date, subject to interest penalty on the unpaid balance.

Customer's termination liability for cancellation of service shall be equal to:

(a) all waived and/or unpaid nonrecurring charges, plus

(b) 50% of all recurring charges for the balance of the customer's team.

(D) Moves

(1) Moves within a Customer's Premises

A move involves a change in the physical location of the Point of Termination on the customer's premises. Such moves will be treated as an extension of OC-192 Ring facilities. Extension of OC-192 Ring facilities will be provided, at the customer's request, on a time-sensitive charge basis. The labor rates that apply are set forth in Section 13, preceding (Rates and Charges). There will be no change in the TPP term requirements.

(N)

27. OC-192 Dedicated SONET Ring Service (Cont'd) (N)

27.3 Rate Regulations (Cont'd)

(D) Moves (Cont'd)

(2) Moves of OC-192 Dedicated Ring Nodes

Moves of OC-192 Dedicated Ring nodes will be provided, at the customer's request, on a time-sensitive charge basis. The charge will not exceed the Nonrecurring Charge for subsequent installation, as specified in Section 27.4(A), for the specific OC-192 Dedicated Ring node being modified. The labor rates that apply are set forth in Section 13, preceding (Rates and Charges). Where facilities are not available, Special Construction charges may apply. No change in billing period is required. Termination charges will not apply to moves of OC-192 Dedicated Ring nodes.

(E) Upgrade to OC-192 Dedicated SONET Ring Service from lower speed services

Customers with three or five year Term Payment Plans (TPP) may at any time upgrade from OC-48 to OC-192 Dedicated SONET Ring Service, without incurring the Termination Liability charge, providing the following criteria are met:

(1) The customer subscribes to a Term Pricing Plan period that is equal to, or greater than, 36 months;
(2) The expiration date for the new Term Pricing Plan period is beyond the end of the original TPP period;
(3) No lapse in service occurs;
(4) Nonrecurring Charges will apply, when applicable;
(5) The monthly rates for the new service(s) will be those rates in effect at the time the new service(s) is/are installed;
(6) The new service is provided between the same customer locations and with the same customer of record as the disconnected service;
(7) The original location of all nodes must be included in the new service.
(8) Billed recurring revenue for each month of the first eighteen months of the new service is equal to or greater than the billed recurring revenue for the last month of the service(s)being converted;
(9) Customer agrees not to convert the new service TPP to a pricing plan with a lower rate for the period of eighteen months after the conversion; and
(10) Spare facilities and equipment must be available or a nonrecurring upfront payment, which is a Special Construction Charge, may apply.

(F) Migration onto OC-192 Dedicated SONET Ring Service

Billing for the OC-192 Dedicated SONET Ring service will commence upon service order completion for all rate elements. Billing for the existing OC-48 Ring service will continue until the migration of all circuit services on to the new OC-192 Ring is complete, at which time the OC-48 Ring service may be disconnected.

(N)

ACCESS SERVICE

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(G) Shared Network Arrangement[1] (C)

Shared Network Arrangement is a service offering that enables a customer ("Service User") to connect subtending services to an OC-192 Dedicated SONET Ring service of another customer (the "Host Subscriber"), with the Telephone Company maintaining separate billing for each. Each customer will be billed for those rate elements associated with their own portion of the service configuration. The Host Subscriber will be responsible for all OC-192 Dedicated SONET Ring Service rate elements, for example, node, ports and mileage, etc. Under no circumstances will the rates or charges for individual rate elements be split.

This offering is limited to service configurations where a Service User orders a subtending service dropped from a Host Subscriber's OC-192 Dedicated SONET Ring wire center node. Under Shared Network Arrangement, the Telephone Company may share record information with the Host Subscriber pertaining to the services of other users of the shared network. Such disclosure will be under the sole discretion of the Telephone Company and is necessary to perform billing reconciliation and/or other functions required in connection with maintaining account records.

(H) Shared Use

Shared Use occurs when Switched Access and Special Access services are provided over the same analog or digital high capacity facility or SONET based service through a common interface. The regulations governing the provision of Shared Use are set forth in 6.7.12 and 7.2.7, preceding.

While Shared Use of SONET facilities (i.e., OC-192 Dedicated SONET Ring Service) for Switched Access Transport is permitted, the SONET Special Access facilities continue to be rated as Special Access.

(1) Effective 05/26/06, this regulation is limited to existing customers. (N)
For new customers purchasing Shared Network Arrangement, terms and (N)
conditions set forth in Section 5.2 (D), will apply. (N)

ACCESS SERVICE

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.3 Rate Regulations (Cont'd)

(I) Optical-to-Electrical Add/Drop Capability (T)

1. The Optical-to-Electrical DS-1 allows an electrical DS-1 to be derived from an optical OC-192 ring by using this capability to add/drop the electrical DS-1 from an OC-3. (N)

Effective 06/10/06, DS-1 Optical-to-Electrical Add/Drop Capability will be available from an optical OC-192 shelf.

The Optical-to-Electrical DS-1 Add/Drop Capability charge is applied when the 29th DS-1 port is required per OC-48 or OC-192 node. Additional charges will apply per each subsequent increment of 84 DS-1 ports. (N)

2. The Optical-to-Electrical DS-3 Add/Drop Capability allows an electrical DS3 to be derived from an optical OC-3, OC-12, OC-48 or OC-192 shelf. The manner in which a DS3 is dropped will be designed based on forecast and equipment hierarchy. (T)

(J) Re-Map Service

Re-Map Service is provided in conjunction with Dedicated SONET Ring Service and allows for a pre-defined set of services to be re-routed by the Telephone Company from one customer premises node to another customer premises node (defined as a "Re-Map node") in the event of a customer premises disaster. Re-Map service will be tested at initial installation and once each year thereafter. Additional testing can be requested and will be charged on a per test basis. Activation upon customer request in the event of an emergency will be charged on a per occurrence basis.

Once the customer notifies the Telephone Company that they are ready to receive signals to the Re-Map node site, the Telephone Company will Re-Map up to 50 circuits within the initial hours and 20 circuits every hour thereafter. The Emergency Activation Nonrecurring Charge will not be applied if the first 50 circuits are not Re-Mapped within 4 hours due to a Telephone Company-caused delay.

Re-Map testing and activation for OC-192 service requires a minimum of one DS1 (VT1.5), or 1 DS3 (STS-1) between one customer premises node and the Re-Map node. Re-Map testing or activation for OC-12 or OC-48 service requires a minimum incremental group from 1 to 28 DS1s or one DS3 (equals one STS-1) between one customer premises node and the Re-Map node.

The emergency Re-Map activation configuration will be maintained for up to 30 days. After 30 days, if the customer wishes to maintain the emergency configuration, the Emergency Activation Nonrecurring Charge will be applied once for each 30 day additional period.

Re-Map Service is available on Self-Healing Uni-Directional Path Switched Rings (UPSR) only.

(K) STS-1 Service (N)

The STS-1 circuit allows the efficient transport of up to 51.84 Mbps of bandwidth across Dedicated SONET Ring utilizing EC-1 (Electrical Connection – Level 1) ports on the dedicated service. While the EC-1 port is comparable to the DS-3 port as far as the connection capacity per STS, the STS-1 circuit utilizes the entire bandwidth of the STS (51.84 Mbps) while the DS-3 uses 44.76 Mbps of the STS. The STS-1 circuit is available via EC-1 ports on an OC-192 ring. (N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.4 Rates and Charges

(A) Nodes

Description	USOC	3 year	5 Year	Monthly Extension
- Customer Premises				
First	GP5AX	$19,800.00	$14,400.00	$33,000.00
First Re-Map	RNFAX	19,800.00	16,000.00	33,000.00
Additional	GP5AA	17,800.00	13,000.00	29,475.00
Additional Re-Map	RNFAA	17,800.00	14,200.00	29,475.00
- Central Office	GC5AX	17,800.00	13,000.00	29,475.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation		
- Per Node		
Customer Premises	NRBS7	$400.00
Customer Premises Re-Map	NRBS7	400.00
Central Office	NRBSV	325.00

(B) Add/Drop Capability

Description	USOC	3 year	5 Year	Monthly Extension	
Per Arrangement -(per node)[1] not to exceed any configurable combination of ports beyond 192 STS-1 equivalents	MXRGX	$4,500.00	$3,240.00	$7,000.00	
- Re-Map[2]	M8RGX	$4,500.00	$3,600.00	$7,000.00	(N)

(C) Ports

Description	USOC	3 year	5 Year	Monthly Extension	
- Per Port					
DS1	S9QWX	50.00	45.00	65.00	
DS3	S9QGX	120.00	110.00	150.00	
DS3 w/Transmux[2]	S4NGX	250.00	200.00	300.00	(N)
EC-1	S9TZX	120.00	110.00	150.00	
OC-3,OC-3c	S9NEX	135.00	120.00	225.00	
OC-12,OC-12c	S9NGX	325.00	300.00	550.00	
OC-48,OC-48c	S9NJX	825.00	760.00	1,425.00	
OC-192 at OC-192 Node	S9T4X	3,300.00	3,000.00	5,700.00	
100 Mbps Ethernet (STS-1) at OC-192	S9TNX	145.00	130.00	225.00	
100 Mbps Ethernet (STS-3c) at OC-192	S9TOX	180.00	160.00	280.00	
1 Gbps Ethernet (STS-1) at OC-192	S9TPX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-3c) at OC-192 node*	S9TQX	250.00	200.00	350.00	
1 Gbps Ethernet (STS-12c) at OC-192 node*	S9TRX	600.00	500.00	875.00	
1 Gbps Ethernet (STS-24c) at OC-192 node*	S9TSX	900.00	850.00	1,500.00	

[1] The OC192 Add/Drop Capability charge is applied to all nodes, excluding regenerators.
[2] Available for rings established on or after 10/17/06. (N)

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27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.4 Rates and Charges (Cont'd)

(C) Ports (Cont'd)

Description	USOC	36 Months	60 Months	Monthly Extension	
- Per port (Re-Map) Per DS1 Re-Map Block (consists of 28 DS1 ports) at OC-192 Ring	RN76X	$1400.00	$1260.00	$1820.00	
Per DS3 Re-Map Block (consists of 3 DS3 ports at OC-192 Ring	RN77X	360.00	330.00	400.00	
Per DS3 Re-Map Port at OC-192 Ring	RN71X	120.00	110.00	150.00	
Per DS3 Transmux Re-Map[1]	RN7TX	200.00	250.00	300.00	(N)
Per EC-1 Re-Map Port at OC-192 Ring	S4NMX	120.00	110.00	150.00	
Per OC-3 Re-Map Port at OC-192 Ring	RN72X	150.00	135.00	190.00	
Per OC-12 Re-Map Port at OC-192 Ring	RN73X	375.00	360.00	475.00	
Per OC-48 Re-Map Port at OC-192 Ring	RN74X	825.00	700.00	1425.00	

Description	USOC	Nonrecurring Charge	
Nonrecurring charges for subsequent installation			
- Per port type			
DS1	NRBSY	$350.00	
DS3	NRBSX	385.00	
DS3 w/Transmux[1]	NRBSX	385.00	(N)
EC-1	NRBSX	385.00	
OC-3,OC-3c	NRBSW	400.00	
OC-12,OC-12c	NRBSZ	400.00	
OC-48,OC-48c	NRBN9	425.00	
OC-192	NRBN2	750.00	
100 Mbps Ethernet (STS-1) at OC-192 node	NRM63	385.00	
100 Mbps Ethernet (STS-3c) at OC-192 node	NRM64	385.00	
1 Gbps Ethernet (STS-1) at OC-192 node	NRM65	385.00	
1 Gbps Ethernet (STS-3c) at OC-192 node	NRM66	425.00	
1 Gbps Ethernet (STS-12c) at OC-192 node	NRM67	425.00	
1 Gbps Ethernet (STS-24c) at OC-192 node	NRM68	425.00	

[1] Available for rings established on or after 10/17/06. (N)

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.4 Rates and Charges (Cont'd)

(D) Mileage

Description	USOC	3 Year	5 Year	Monthly Extension
Per mile between nodes(2)	1YAZX	$260.00	$210.00	$330.00

(E) Ring Regenerator

	USOC	3 Year	5 Year	Monthly Extension
Each (as required)	RGY	$9,250.00	$7,000.00	$13,875.00

Description	USOC	Nonrecurring Charge
Nonrecurring charges for subsequent installation of Regenerator - Each (as required)	NRBS5	$270.00

(F) Shared Network Arrangement

Description	USOC	Nonrecurring Charge
Processing Charge Per Service Order	NRMCL	$30.00

(G) Installation and Administrative Charges

Description	USOC	Nonrecurring Charge	
STS-1 Service	ORCMX	$60.00	(N)
Administrative Charge per Service Order	ORCMX	60.00	
Design and Central Office Connection Charge, per Initial Ring	NRMCK	2,250.00(1)	

(1) Per Ring Charge for Dedicated Ring Service is applied once per original ring installed.
(2) A two-node ring configuration has a two-mile minimum, one mile from the CO node to the customer premise node, and one mile from the customer premise node to the CO node.

27. OC-192 Dedicated SONET Ring Service (Cont'd)

27.4 Rates and Charges (Cont'd)

(G) Installation and Administrative Charges (Cont'd)

Description	USOC	Nonrecurring Charge
Re-Map Service		
Initial Service Script Establishment/ Test Charge	NRMR1	$5,500.00
Subsequent Script Activity Charge	NRMR3	3,200.00
Scheduled Test Charge	NRMR5	4,200.00
Emergency Re-Map Activation (per request)	NRMR7	5,000.00

(H) Optical-to-Electrical Add/Drop Capability

Description	USOC	36 Months	60 Months	Monthly Extension	
Per Arrangement[1] - per node) not to exceed any configurable combination of ports beyond 192 STS-1 equivalents	MXJGX	$2,500.00	$2,000.00	$3,500.00	
- Re-Map[2] Per Optical to Electrical DS-3 Add/Drop Capability	M6JGX	$2,500.00	$2,000.00	$3,500.00	(N)
Per OC-3 to DS-1 Add/Drop[3]	MXJDX	875.00	700.00	1,050.00	
Re-Map Per OC-3 to DS-1 Add/Drop[3]	M8RDX	875.00	700.00	1,050.00	(N)

Description	USOC	Nonrecurring Charge	
Subsequent Installation Per OC-3 to DS-1 Add/Drop	NRBS6	$490.00	(N) (N) (N)
Subsequent Installation Optical/Electrical of DS3 Add/Drop	NRBS8	490.00	

[1] When electrical drops are required, the Optical-to-Electrical Add/Drop Capability charge is applied in addition to the Add/Drop Capability charge set forth in Section 27.4(B), preceding.

[2] Available for rings established on or after 10/17/06. (N)

[3] An OC-3 port charge is needed with each Optical-to-Electrical Add/Drop Capability – Per OC-3 to DS-1 Add/Drop. (N) (N)

ACCESS SERVICE

28. AT&T Volume Discount Plan (AVDP) (N)

28.1 General Description

The AVDP provides volume discounts applicable to the interstate term plans listed below, for Customers who purchase DS1, DS3, GigaMAN® and DecaMAN® at the volume tiers outlined in Section 28.1 (B). The AVDP provides a Billing Credit Discount (BCD) annually, in accordance with the terms and conditions set forth below:

(A) Terms and Conditions

(1) The AT&T Volume Discount Plan is available for DS1, DS3, GigaMAN® and DecaMAN® channel terminations purchased for one, three and five-year term periods:

(a) DS1 TPP (Sections 7.11.5.2, 7.11.5.3(F) and 22.5.2.6);
(b) DS3 High Capacity Service Billing Period (Sections 7.11.5.1(A), 7.11.5.3 and 22.5.2.5);
(c) GigaMAN® (Sections 7.13, 7.13.13 and 22.5.2.7); and
(d) DecaMAN® (Sections 25 and 22.5.2.15).

(2) To subscribe to the AVDP, the Customer must provide written notification to its Telephone Company account manager or the Business Office.

(2) Circuits ordered on or after March 14, 2007, or circuits which have completed a term period and are subscribed to a new term period on or after March 14, 2007, under one, three and five-year term plans described in 28.1(A)(1), will count toward the volume levels identified in Section 28.1(B) from the day the Customer has notified the Telephone Company of its subscription to AVDP.

(4) AVDP expires on December 31, 2010. The last BCD will be paid in January 2011.

(5) The Customer's BCD is identified by referencing the Billing Credit Discount Table in 28.1(B) using the monthly in-service volumes, aggregated by service type. The Average Monthly In-Service Volume (AMISV) is calculated by totaling the number of channel terminations by service each month, and dividing the total by the number of subscribed months in the plan year. See example of BCD calculation in 28.1(B).

(6) The BCD is applied as a percentage discount to the total monthly recurring billed revenue for channel terminations, by service, for the subscription period of the current year for the services identified in Section 28.1(B). The BCD will be paid as an annual discount credit to the Customer's bill in January of the following year for subscribed services in 2007, 2008, 2009 and 2010.

(7) Services subject to the Customer's Managed Value Plan or a Price Flex Contract Tariff are not eligible for the AVDP offering. (N)

ACCESS SERVICE

28. AT&T Volume Discount Plan (AVDP) (Cont'd) (N)

28.1 General Description (Cont'd)

(B) Volume Tiers and Billing Credit Discounts (BCDs)

Billing Credit Discount (BCD) Table		
Volume Tiers	**Average Monthly In-Service Volume (AMISV)**	**BCD**
DS1 channel terminations		
Level 1	20 to 59	2.0%
Level 2	60 to 99	2.5%
Level 3	100 to 139	3.0%
Level 4	140 or more	3.5%
DS3 channel terminations		
Level 1	10 to 14	2.0%
Level 2	15 to 19	2.5%
Level 3	20 to 24	3.0%
Level 4	25 or more	3.5%
GigaMAN® channel terminations		
Level 1	6 to 11	2.0%
Level 2	12 to 17	2.5%
Level 3	18 to 23	3.0%
Level 4	24 or more	3.5%
DecaMAN® channel terminations		
Level 1	4 to 5	2.0%
Level 2	6 to 7	2.5%
Level 3	8 to 9	3.0%
Level 4	10 or more	3.5%

(N)

ACCESS SERVICE

28. AT&T Volume Discount Plan (AVDP) (Cont'd) (N)

28.1 General Description (Cont'd)

(B) Volume Tiers and Billing Credit Discounts (BCDs) (Cont'd)

Example of BCD Calculation

For example, a Customer subscribes to DS1 service with monthly channel termination in-service volumes as shown below. A Customer calculates its total volume by adding up the in-service totals for the months the Customer subscribed to AVDP during the plan year.

In-Service Monthly Volumes

January 2007	
February 2007	
March 2007	30
April 2007	40
May 2007	35
June 2007	45
July 2007	37
August 2007	48
September 2007	40
October 2007	41
November 2007	35
December 2007	42
Total	**393**

A Customer calculates its AMISV as follows:

AMISV = 393(from Total above) / 10(Number of subscribed months for plan year) = 39

After the AMISV is calculated, in this case 165, a Customer can obtain their BCD using the Billing Credit Discount Table in Section 28.1(B), above. For this example:

BCD = 2.0%. (N)

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